A Cost Benefit Analysis of Victim Support ACT

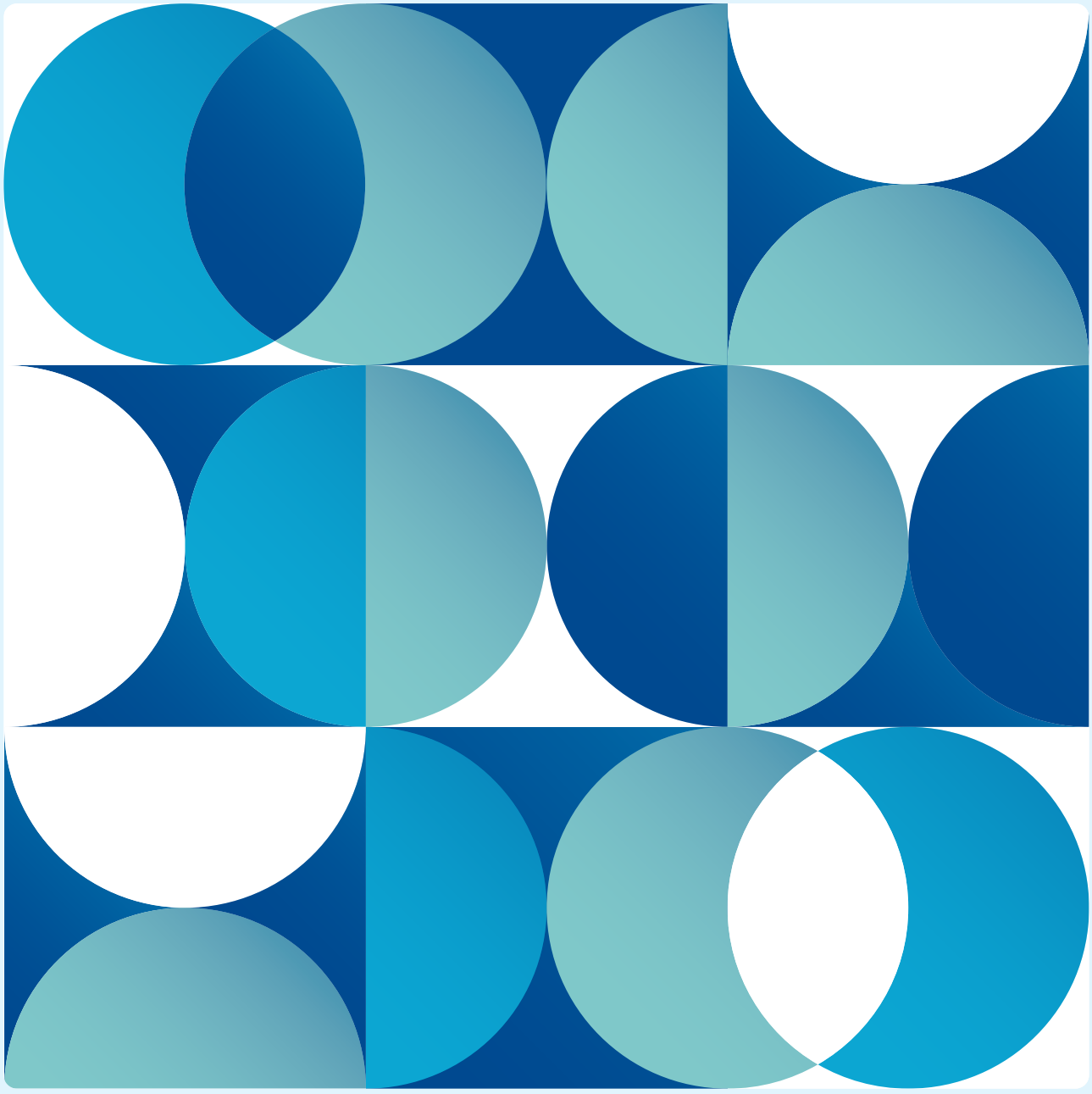
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June 2025, Canberra



VICTIMS OF CRIME COMMISSIONER
ACT Human Rights Commission

This report was commissioned by Victim Support ACT, ACT Human Rights Commission.

DBW ECONOMICS

Acknowledgements

We pay our respects to Elders – past, present and emerging and we acknowledge and celebrate the Aboriginal and Torres Strait Islander peoples throughout Australia and their continuing connection to culture and country.

We recognise the region's significance, as an important meeting place, to other Aboriginal groups and the contribution Aboriginal and Torres Strait Islander peoples make to the Canberra region. The authors acknowledge the Ngunnawal, Ngambri and Ngarigo as the Traditional Owners and custodians of the Canberra region, where we live and work. We recognise their sovereignty over these lands was never ceded and we acknowledge the displacement and disadvantage they have suffered as a result of European settlement.

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The authors also acknowledge the excellent assistance and advice provided by the stakeholders particularly: Strategic Finance, Justice and Community Services.

Note

The authors are responsible for the estimates and assumptions used in the CBA.

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A Cost Benefit Analysis of Victim Support ACT

June 2025, Canberra

Authors

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Code of Conduct

Economic modelling does not have a formal code of conduct; however, this Cost Benefit Analysis meets the essential requirements of such a code. As economic modellers we have:

- disclosed who commissioned this work,
- clearly explained our key assumptions,
- provided a sensitivity analysis,
- provided context and comparison, and
- explained our choice of economic model.

We take responsibility for the plausibility of our results, and our full modelling outcomes are included in this Cost Benefit Analysis report.

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Executive Summary

Without the support you've provided personally, the recommendations you've made, and the case managing and hours of therapy that you've approved over the last three plus years I would not be anywhere near as self-aware, or as far progressed on my healing journey (which I now understand is going to be lifelong!). I'm certainly a better person and parent for it all and am so grateful that I've been able to share what I've learnt and help others on their similar journeys.

Client supported by Client Services Team

Crime has serious consequences for both victims and the wider society. This includes physical, psychological, social and economic consequences. Victim Support ACT (VSACT) delivers a wide range of advocacy, therapeutic and support services for victims of crime and affected persons and administers the Victims Services Scheme, the Financial Assistance Scheme and the Victims Register. The work of VSACT ensures that victims of crime are heard and can access the support they need to recover and more fully participate in and contribute to the Australian Capital Territory (ACT) community.

The Victims of Crime Commissioner (VOCC) is an independent statutory advocate and the head of VSACT. The VOCC's role is to advocate for the interests of victims, promote reforms in the interests of victims, provide support and services to victims and encourage and facilitate cooperation between agencies involved in the administration of justice. The VOCC also advises the Minister on matters relating to the interests of victims of crime.

Crime-related harm to victims results in lower levels of wellbeing and large forgone life chances, producing substantial economic costs. VSACT promotes victims' recovery from harm, promoting victim rights to recognition, dignity, choice, justice and safety in the aftermath of crime. VSACT seeks to alleviate substantial burdens caused by crime which are otherwise carried by victims, their families, and the wider ACT society. These burdens may include psychological and physical injuries and disruption of obligations and opportunities relating to education, employment, personal relationships, parenting, and financial stability.

VSACT has improved the lives of thousands of victims of crime, their families and the wider ACT community by directly strengthening the capacity of victims to manage the impacts of crime, and avoid escalation of related burdens. In doing so, VSACT reduces the use of other government agencies (such as housing, mental health services, police, courts, hospitals and out of home care), freeing scarce resources for other users.

This report is based on an analysis of VSACT programs and activities as of the 2022/23 Financial Year. It includes quotes from those who have accessed VSACT supports, along with composite case studies of the type of work undertaken by VSACT. These quotes and case studies are included to better illuminate the experience and perspective of victims and the ways in which they are assisted by VSACT, and are particularly relevant for those who may otherwise be unfamiliar with the work of VSACT.

This report presents a Cost Benefit Analysis (CBA) of VSACT. CBA is a powerful tool for determining the economic value of a program or project. It is widely used by governments to evaluate the impact of their policies on the economic wellbeing of society. This CBA finds that VSACT delivers a substantial positive net economic benefit to Canberra. VSACT provides economic benefits that far exceed the attendant economic costs.

This CBA values the social impacts of VSACT on society's wellbeing in economic terms. These values are aggregated over time (10 years) using a discount rate (8%) showing society's trade-off between current and future consumption. The discounted aggregate impacts are compared, using decision criteria (Net Present Value and Benefit/Cost Ratio) to quantify the gap between costs and benefits arising from VSACT.

This CBA takes a rigorous approach to identifying and assigning values to the costs and benefits arising from VSACT. The relevant costs and benefits have been identified and valued using standard economic methodologies. The VSACT costs were provided by VSACT's financial team. Our research team has estimated the benefits and used conservative values to calculate the Net Present Value and Benefit/Cost Ratio. These valuation and other techniques reveal the substantial economic merit of VSACT.

As is standard in cost benefit analysis this CBA has considered the counterfactual as to 'what would happen if no such service existed'. This CBA is Australian first research and, accordingly, we have been highly conservative in estimating VSACT benefits, including ensuring that there is no duplication of benefits ascribed to the work of VSACT.

Our analysis shows VSACT provides a substantial net benefit to the ACT economy. Over the ten years, starting in 2023, the Net Present Value of VSACT is $59.0 million in 2023 dollars and the Benefit/Cost Ratio is 2.0:1. This is high compared with other investments. The results validate the economic rationale for government funding of VSACT and its continuation and growth.

The CBA considers the economic impact of VSACT over the next ten years at its current size. We are confident that the above ratio would remain consistent should the size of VSACT increase and that any increase in size would see a concomitant increase in benefits.

Both decision criteria demonstrate that VSACT is worth funding on economic (efficiency of resource use) grounds. There are no substantial uncompensated costs experienced by stakeholders and therefore distributional issues do not detract from the positive conclusions of this CBA. Sensitivity analysis indicates that this conclusion is robust with the benefit cost ratio remaining strongly positive, irrespective of the discount rate.

In summary, VSACT improves the quality of life, wellbeing, and output of ACT residents and is an excellent use of ACT economic resources.

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Abbreviations

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
AFP	Australian Federal Police
ALO	Aboriginal Liaison Officer (VSACT)
AOD	alcohol and other drugs
ATSI	Aboriginal and Torres Strait Islander
CBA	Cost Benefit Analysis
CST	Client Services Team
DFV	domestic and family violence
HCA	Human Capital Approach
FAS	Victims of Crime Financial Assistance Scheme
FVSAP	Family Violence Safety Action Program (VSACT)
MLO	Multicultural Liaison Officer (VSACT)
NPV	Net Present Value
NRS	National Redress Scheme
PV	present value
SROI	social return on investment
VoC Act	Victims of Crime Act 1994
VOCC	Victims of Crime Commissioner
VSACT	Victim Support ACT
VSS	Victims Services Scheme

Introduction

Please just know this is a life changing outcome for me and you have made, what has otherwise been a very depressing and hopeless situation, better.

Client supported through Victims of Crime Financial Assistance Scheme

Purpose of Cost Benefit Analysis

> We need to be able to demonstrate to the government that interventions with children in these cases represents a huge saving down the track.
>
> **Stopping Family Violence (2021:63).**

The purpose of this CBA is to identify and value economic impacts (costs and benefits) arising from the support, advocacy and assistance that VSACT provides to eligible victims of crime. The costs of VSACT are compared with the benefits derived from those costs.

VSACT is promoted as the ACT Government's 'one-stop-shop' for victims[1] of crime and their families. The agency supports the statutory functions of the Victims of Crime Commissioner (VOCC), who is an independent statutory officer appointed by the ACT Government to ensure and oversee appropriate delivery of services to victims. The VOCC's functions are set out in legislation including the Victims of Crime Act 1994 (VoC Act), the Victims of Crime (Financial Assistance) Act 2016 and the Human Rights Commission Act 2015. Under s11 (1)(a) of the VoC Act, the VOCC manages the victims services scheme, the financial assistance scheme and 'any other program for the benefit of victims'. These services operate at the ACT Human Rights Commission under the banner 'Victim Support ACT'. As detailed below, VSACT delivers a range of therapeutic case coordination, outreach and court support services to victims, along with financial assistance and advocacy to uphold victim rights and interests. VSACT also works closely with other justice, government and community agencies to ensure victim needs are met.

The economic cost of crime measures its impact on society. Crime can be calamitous for victims, their families and their communities (Mullen, Pathe, & Purcell, 2009), (Jerath, Tompson, & Belur, 2020), (Korkodeilou, 2014), (Widkramasekera, Wright, Elsey, Murray, & Tubeuf, 2015), and (Taylor-Dunn, Bowen, & Gilchrist, 2018). Economic valuation provides a shared metric to compare and aggregate the harms from crime (Cohen M. A., 2000, p. 271). This CBA uses an "economic value" or "cost"

of victimisation to measure the impact of VSACT on reducing the consequences of crimes for victims.

However, the key motivator for government support for victims of crime is not economic but ethical.

Civilised society has an ethical obligation to support the healthy and happy development of all its members and this ethical obligation is the principal motivation of government support to victims of crime – victims of crime often being among Australia's most vulnerable people. In Australia, this ethical obligation is exhibited in the many Commonwealth, State and Territory Government victim services provided to community members as a right or entitlement, rather than by the market. Advocating for victims' full enjoyment of their human rights and their equitable participation in the justice system and community, VSACT embodies the ACT Government's ethical and legislated commitment to shifting responsibility for victim safety, recovery and rights realisation from the shoulders of individual victims to the community and the government. In the ACT, victim rights to respect, privacy, safety, government support, financial assistance, information, participation and consultation are set out in part 3A of the VoC Act.

> Australia's social security and universal health care systems provide an entitlement to services based on need.
>
> **(Productivity Commission, 2011, p. iv).**

However, rights and ethical obligations are rarely costless and governments should account for the allocation of their limited resources. The need for economic evaluation of VSACT is accepted (Stopping Family Violence, 2021, p. 27). This CBA provides that evaluation.

This CBA acknowledges the primacy of the ethical value of support for victims of crime while measuring its economic value. This CBA measures whether support for victims of crime represents a sound social investment: are the benefits worth the costs when viewed in the light of the many alternative uses of society's scarce resources?

Victims of crime are people with rights. But to economists and in a CBA, they are also:

- a cost,
- consumer durables (providing a flow of utility to their family and friends),
- investment goods (providing over time, economic outputs from education and skills), and
- community goods (providing positive externalities justifying government support).

This economic evaluation (CBA) of VSACT values government funding by identifying the benefits not just for victims of crime but also for their families and the wider ACT population. By valuing the costs and benefits for all of society, CBA encompasses more than each participant's direct benefits and costs. CBA takes a social view that values all the relevant impacts, direct and indirect. Therefore, economic evaluation is broader than financial evaluation.

VSACT provides community goods, positive externalities or spill-overs in addition to direct contributions to each victim's welfare. This wider social and economic value of VSACT needs to be calculated if social and economic policy is to be fully evaluated. The spill-overs or social benefits generated when victims of crime are supported by VSACT contribute to strengthening community, through outcomes such as increasing trust, connectedness and volunteering, as well as the development and maintenance of knowledge and skills that contribute to both informal and formal economies (McShane, Cook, Sinclair, Keam, & Fry, 2016, p. 9).

The victims of crime supported by VSACT are representative of the larger community of victims of crime supported by other Australian State and Territory agencies. Therefore, the results of this CBA are relevant to that wider group.

The scope of this cost benefit analysis is provided at Attachment A.

Thank you so much for putting me in touch with the counsellor. Still a struggle (but) I am making progress towards reclaiming my sense of self. The support throughout the legal side of things has also been lifesaving or "what remains of my sanity" saving might be a better way to put it.

Client supported by Client Services Team

Methodology

This CBA of VSACT is a comprehensive evaluation to determine the degree to which the economic value of benefits exceeds the economic value of costs. CBA has a long history. Its origin as a tool of economic analysis is attributed to Jules Dupuis (1804–1866) (Talvitie, 2018). Dupuis focused on transport projects but, over time, social projects, like VSACT, have progressively attracted CBA analysis.

This CBA answers the question: Does VSACT add to the net economic wellbeing of society?

The evaluation methodology used in this report is a systematic application of CBA. It provides a standardised evaluation process allowing comparisons to be made with other economic activities. It incorporates a desktop review, interviews with key stakeholders, and review of key documents to identify and value the economic costs and benefits of VSACT.

This CBA focuses on quantitative data and so does not fully capture all the complex experience and social interactions of victims of crime. Still, the quantitative data used in this CBA is supported by qualitative research on interventions supporting victims of crime and crime prevention. This CBA also includes case studies drawn from the work of VSACT to better illuminate the experience and perspective of victims and the ways in which they are assisted by VSACT.

The methodology used in this CBA is consistent with the recommendations and standards of relevant government agencies (Office of Best Practice Regulation, 2016), (NSW Treasury, 2017), (Western Australian Program Evaluation Unit, 2015), (Queensland Treasury, 2015), (Queensland Government, 2021), (New Zealand Treasury, 2015), (New South Wales Government, 2013), (European Commission, 2008), (Department of Finance and Administration, 2006), (United States Office of Management and Budget, 2003), (HM Treasury, 2003), (Treasury Board of Canada Secretariat, 1998) and (Infrastructure Australia, 2021).

This CBA follows the systematic practices set out in those guidelines. The methodology used in this CBA is also consistent with the recommendations of reviews of the use of CBA for valuing the impact of interventions to manage crime (Dossetor, 2011), (Welsh & Farrington, 1999), (Hornick, Paetsch, & Bertrand, 2000), and (Farrington & Welsh, 2023).

This CBA incorporates standard elements for conducting a cost-benefit analysis as an analytical process including:

- Define the scope of the analysis;
- Identify VSACT impacts, both costs and benefits;
- Estimate the value of costs and benefits;
- Calculate present values and decision criteria;
- Conduct sensitivity analyses;
- Assess the distribution of costs and benefits; and
- Draw conclusions based on the analysis.

It is important to note that this CBA does not inflate future values nor predict future growth in the number of victims of crime assisted. The CBA is calculated in real 2023 dollars and at VSACT's 2023 size (number of victims of crime assisted).

The economic valuation techniques and algorithms used in this analysis are consistent with studies valuing other social interventions, including in Australia, for example (Barrett, 1993), (Barrett & Applegate, 2011), (Daly & Barrett, 2012), (Daly & Barrett, 2014), (Daly & Barrett, 2016), (Daly, Barrett, & Williams, 2016), (Daly, Barrett, & Williams, 2017), (Daly, Barrett, & Willams, 2019), (Karoly, et al., 1998), (Chisholm, 2000), (Wakerman, et al., 2001), (Browning, 2011), (Degeny, Hopkins, & Hosie, 2012), (Drummond, Sculpher, Torrance, O'Brien, & Stoddart, 2005), (Welsh & Farrington, 1999), (Crime Research Centre, 2007), (McCausland, Baldry, Johnson, & Cohen, 2013), (Price Waterhouse Coopers, 2009), and (Price Waterhouse Coopers, 2015). Those studies, like this CBA, identify the factors that determine the relevant outcome, make plausible estimates from reasoned assumptions and aggregate them to obtain estimates of the selected decision criteria.

The unit values used in this CBA are derived from a desk-top meta-analysis of the research literature as presented at Attachment F. Meta-analysis is a set of techniques for analysing and summarising multiple quantitative empirical studies (Lipsey & Wilson, 2001). The meta-analysis here derives consensus estimates of unit values from professional judgments and research.

This CBA is informed by evaluations of other victims of crime policy interventions. While this research does not provide an economic evaluation of VSACT, it does describe and quantify impacts that are used in this report, providing the basis for identifying and quantifying relevant VSACT impacts. Research estimating the cost of domestic violence includes (Blumel, Gibb, Innis, Justo, & Wilson, 1993), (Snively, 1995), (Day, 1995), (Kerr & McLean, 1996), (Miller, Cohen, & Wiersema, 1996), (Korf, Meulenbeek, Mot, & van den Brandt, 1997), (Stanko, Crisp, Hale, & Lucraft, 1998), (Godenzi & Yodanis, 1999), (Henderson, 2000), and (Institute for Women in Andalusia, 2003).

In the literature there are CBA studies that provide useful evidence on the economic impact of social interventions comparable to VSACT. This research is summarised below and includes some very high returns. CBA valuations of the cost of crime (including cost to victims) include:

- a US community-based approach to youth probation has a benefit/cost ratio of 1.9:1 (Robertson, Grimes, & Rogers, 2001).
- an Australian domestic abuse offenders' program has a benefit/cost ratio of 2.9:1 (Blatch, Webber, O'Sullivan, & van Doorn, 2017).
- reducing stalking in the UK has a benefit/cost ratio to the victim of 3.5:1 and a benefit/cost ratio to the state of 2.8:1 (Thompson, Belur, & Jerath, 2021).
- alcohol treatment in sentencing has a benefit/cost ratio of 3.4:1 (Roman, Chalfin, & Reid, 2008).
- a US mental health treatment for juveniles reduces crimes and has a benefit/cost ratio of 7.2:1 (Cadwell & Van Rybroeck, 2006).

Advocacy is an important part of VSACT's work. CBA valuations of advocacy include:

- advocacy for children subject to child safeguarding procedures whose parents have learning disabilities has a benefit/cost ratio of 1.2:1. After including wider impacts the benefit/cost ratio rose to 2.0:1 (Bauer, Wistow, Dixon, & Knapp, 2013).
- the UK Kirklees Advocacy Service has a benefit/cost ratio of from 2.4:1 to 3.2:1 (White, 2012).
- advocacy for people with disability regarding domestic violence issues in Devon has a benefit/cost ratio of 3.2:1 (CAADA, 2012).
- Australian advocacy for people with disability has a benefit/cost ratio of 3.5:1 (Daly, Barrett, & Williams, 2017).
- Glasgow's older people's advocacy service has a benefit/cost ratio of 8:1 (Cameron, 2013).
- an English advocacy service has a benefit/cost ratio of from 5:1 to 20:1 (Posner, date unknown).
- advocacy for improved municipal services for people with disabilities in the Ukraine has a benefit/cost ratio of 30:1 over one year and a 53:1 over five years (Yesmukhanova, 2012).

Clearly, policy interventions to manage the impact of crime have substantial net benefits.

Case Study: Jessica

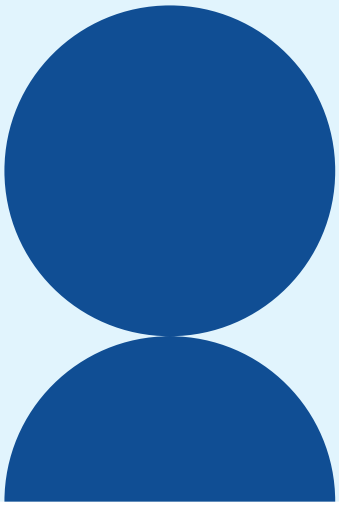
Jessica, a young Aboriginal mother approached one of VSACT's Aboriginal outreach workers who was at an Aboriginal organisation to chat with staff. Jessica told the worker about a recent incident with her former partner, Dwayne. She said he had severely assaulted her, in front of her young son. She explained Dwayne had been released on bail and she was really scared that he might try to kill her because she had reported the assault to police. She also said Dwayne had a history of breaching his bail conditions but there never seemed to be any real consequences for this.

The outreach worker engaged with the Family Violence Safety Action Program who worked closely with police and ACT Corrective Services to keep a closer eye on Dwayne while he was on bail. This meant that when Dwayne breached his bail condition and attended Jessica's house, the police response was escalated to the highest priority and they responded quickly.

However, Dwayne fled as soon as Jessica called the police. The interagency coordination supported by the Family Violence Safety Action Program enabled Dwayne's location to be promptly identified. The Program also ensured Jessica was provided with safety planning support throughout the following period, along with regular updates. The VSACT outreach worker also checked in with Jessica to see how she was doing. Jessica stated she felt a lot safer knowing where things were up to and the regular updates were helping her to make good decisions about her safety.

The outreach worker also helped Jessica apply for help under the Financial Assistance Scheme (FAS), the purpose of which is to assist victims of crime to recover from acts of violence, to contribute to their sense of safety, to acknowledge the harmful effects of acts of violence and to complement other services provided to them. Several payments were approved, including a recognition payment, which is type of payment that can be made to acknowledge the harm experienced because of a violent crime. FAS payments also covered Jessica's relocation expenses and she used her recognition payment to pay the deposit on a new rental property.

Jessica said that if she hadn't seen the outreach worker at the Aboriginal Organisation, she wouldn't have sought help from a mainstream family violence organisation. Jessica said she felt more confident that Dwayne wouldn't be able to find her and her son and that he wouldn't be able to act on his threats. She said it was really important to have Aboriginal workers because that really helped her trust the service.



Victim Support ACT

Those words that I'm believed — I cannot even articulate the healing that this brings.

Client supported through Victims of Crime Financial Assistance Scheme

That victims of crime need to be made whole has been recognised in law since at least the Babylonian Code of Hammurabi in 1750 BC. However, until recently governments provided minimal support to victims who were expected to rely on family, clan or tribe to extract justice. In modern industrial societies, this community support has diminished and too frequently, rights of the perpetrator have been given prominence over rights of the victim. Increasingly, governments now acknowledge the need for, and benefits of, victims' rights, including rights to support.

The UN defines victims of crimes as "Persons who, individually or collectively, have suffered harm, including physical or mental injury, emotional suffering, economic loss or substantial impairment of their fundamental rights, through acts or omissions that are in violation of criminal laws operative within member states, including those laws proscribing criminal abuse of power... The term 'victim' also includes, where appropriate, the immediate family or dependants of the direct victim and persons who have suffered harm in intervening to assist victims in distress or to prevent victimisation" *United Nations Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power, 1985*.

What is the problem?

> The consequences of crime are multifaceted and, like stone dropped into a calm pool of water, move out in ever-widening circles affecting victims, their families, and society as a whole.
>
> **(Wallace, 1998, p. 88)**

At a national level the cost of crime is huge and the cost to victims is a large proportion of that national cost. The Australian Institute of Criminology (AIC) has estimated that the cost of crime in Australia for 2005 was $35.8b or 4.5% of national GDP (Rollings, 2008), representing a substantial loss to the Australian economy. Government support for victims of crime meets a real and substantial need.

Thousands of Canberrans become victims of crime each year with many experiencing severe negative impacts. Victims of crime, their families and communities face serious psychological, social and economic consequences including premature mortality (Brewster, 1999), and deterioration in the quality of life giving rise to feelings of fear, anxiety, depression, suicidality, helplessness, distress, anger and distrust that in many cases last for many years (Korkodeilou, 2014). Research reveals that the personal impact of crime victimisation is long lasting and diverse. The impacts include physical injuries or death; financial loss or property damage; and, less obvious but often devastating psychological and emotional wounds. These impacts may be felt not only by the primary victims but also by secondary victims including family and on-lookers (Cook, David, & Grant, 1999, p. 39).

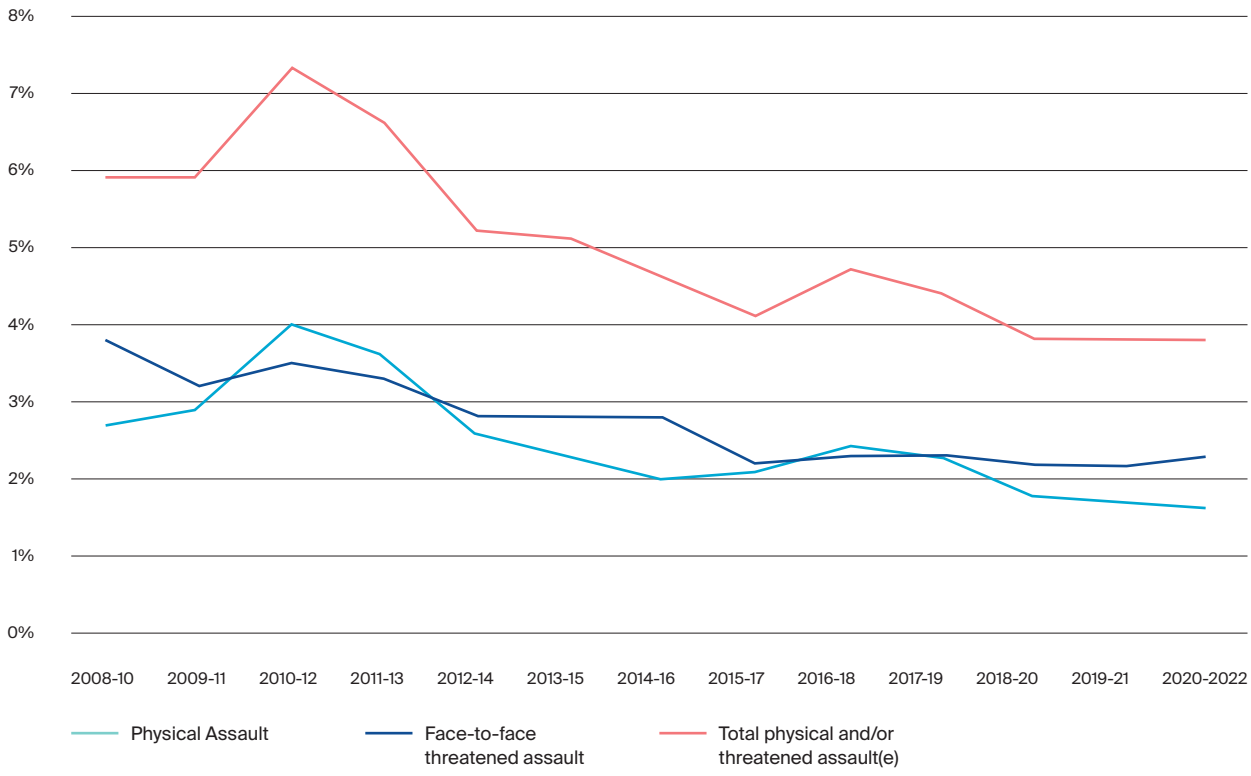
> No-one ever expects to become a victim of crime, or that the actions of another person can change their life and the lives of those close to them forever—that they can no longer feel safe or secure in the world. In the few seconds that it takes for a crime to occur, the person's assumptions about the world are shattered.
>
> **(Muir, 1998, p. 179)**

In the ACT, in any one year, the proportion of people and households who become victims of crime is low and has generally fallen over time (see the figure below). However, given Canberra's population, this low proportion results in many victims. In the **two-year** period to 2022[2]:

- 5,400 Canberrans experienced a physical assault,
- 7,700 experienced a face-to-face threatened assault,
- 4,200 ACT households experienced a break in,
- 5,200 experienced an attempted break in,
- 5,400 experienced a theft from a motor vehicle,
- 9.800 experienced malicious property damage, and
- 4,800 experienced other theft[3].

Each year there are many of victims of crime in Canberra. The cost to the victims and the wider Canberra community is substantial.

Figure 1: ACT: assault rates, proportion of ACT population over 15 years of age, two-year pooled data



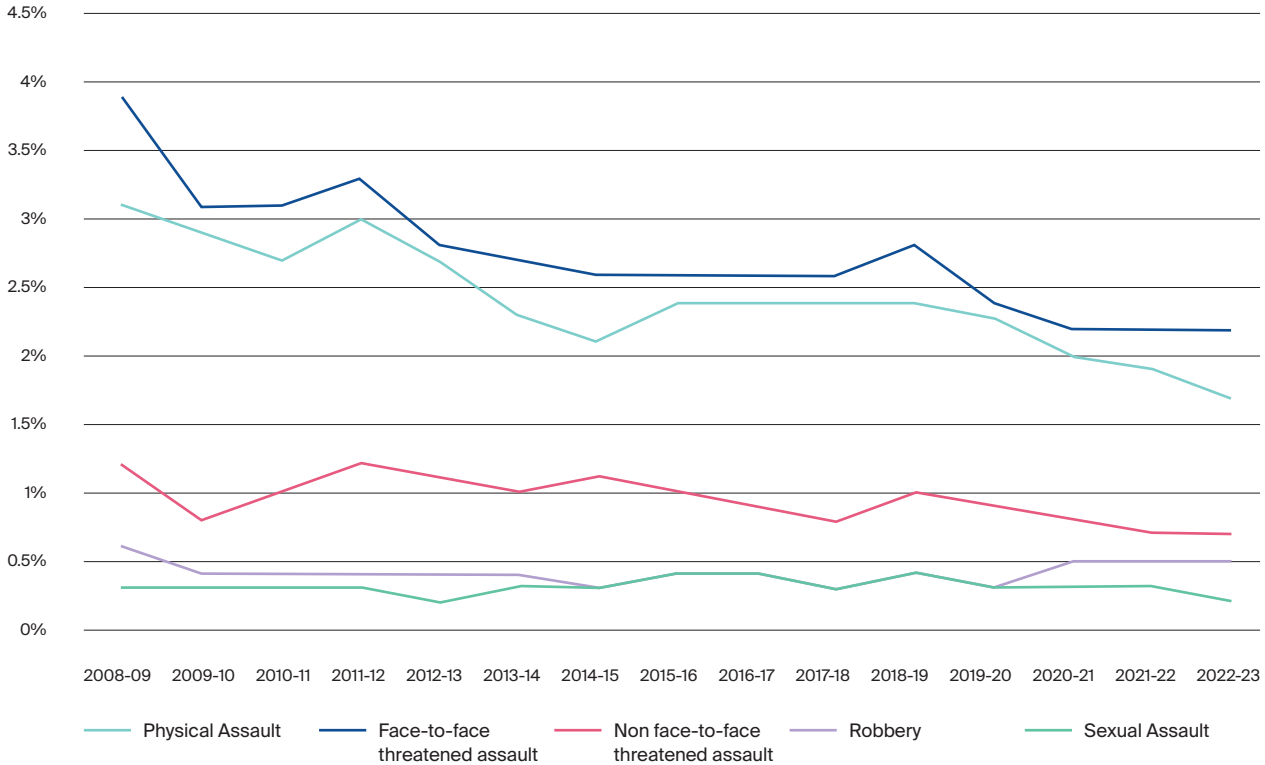
Source: Australian Bureau of Statistics. (2021–22). *Crime Victimisation, Australia.*

Over the ten years to 2021–22, sexual assaults in Australia rose from 40,700 to 94,400 and the victimisation rate rose from 0.2% to 0.5% (Australian Bureau of Statistics, 2021-22). In Australia, in 2022–23, 0.7% of females aged 18 years and over (65,600) experienced sexual assault. The rate of sexual assault was higher for females aged 18 to 29 years (2.3%) compared with the national rate for all females (0.7%).

Over a lifetime there is a high probability that Canberrans will be a victim of crime. For example, an estimated 73,200 women in the ACT (42%) have experienced physical or sexual violence since the age of 15 (Australian Bureau of Statistics, 2021-22). By comparison, in 2001, the British Crime Survey found that 45% of women could recall being subjected to domestic violence (abuse, threats, or force), sexual victimisation, or stalking at least once in their lifetime (Walby & Allen, 2004).

Without government support to victims of crime many Canberrans would be unable to live full and productive lives and achieve their potential in the ACT community.

Figure 2: Australia: personal crime rates, proportion of Australia population over 18 years of age



Source: Australian Bureau of Statistics. (2022–23). *Crime Victimisation, Australia.*

Thank you for all your support in getting my financial application sorted. I was able to move safely to my new house. I don't know how I would have done it without your guidance.

Client supported by Client Services Team

VSACT purpose

VSACT is the ACT Government's 'one stop shop' for victims of crime, providing support, advocacy and financial assistance. These services aim to restore victim rights to recognition, dignity and choice, in the aftermath of the disempowering and damaging impacts of crime (Lloyd & Borrill, 2020). VSACT's justice advocacy aims to ensure victims who choose to report to police, or are called to give evidence, are empowered by participating in justice processes where they may make informed decisions, have clear rights to participation and consultation, and can receive individualised support (Dinisman & Moroz, 2017).

The Victims of Crime Commissioner (VOCC) is both an independent statutory advocate for victims of crime and the head of VSACT's operational services. As an independent advocate the VOCC has statutory functions to:

- advocate for the interests of victims
- advocate for the interests of affected people under the Mental Health Act 2015
- consult on and promote reforms to meet the interests of victims
- advise the Minister on matters relating to the interests of victims
- monitor and promote compliance with victims' rights
- ensure victims' rights concerns are dealt with promptly and effectively, and promote the prompt and effective resolution of complaints about victims' rights made to relevant complaints entities
- develop educational and other programs to promote awareness of the interests of victims
- ensure that victims receive information and assistance they need in connection with their involvement in the administration of justice
- encourage and facilitate cooperation between agencies involved in the administration of justice with respect to victims

As head of VSACT's operational services, the VOCC has statutory functions to manage the Victims Services Scheme, the financial assistance scheme and any other program for the benefit of victims, and to ensure the provision of efficient and effective services for victims.

VSACT aims to ensure victims of crime can:

- exercise their rights to dignity and choice in accessing services to support their safety and recovery from crime-related harm,
- take part in the social, economic and cultural life of the community, and
- be heard in the justice system, including adherence to their rights under the *Human Rights Act 2004* and the Charter of Victims Rights in part 3A of the VoC Act

All individuals who engage with VSACT are treated in accordance with the *Human Rights Act 2004* and the VoC Act. The Victims of Crime Commissioner's functions are set out in legislation, including the VoC Act, the *Victims of Crime (Financial Assistance) Act 2016* and the Victims of Crime Regulation 2000.

At present, over half of VSACT's work occurs in response to domestic, family and sexual violence. VSACT works closely with community organisations, including the Domestic Violence Crisis Service, Canberra Rape Crisis Centre, and Womens's Legal Centre ACT, which provide specialist responses for victims of domestic, family and sexual violence. This collaboration includes VSACT's leadership of the Family Violence Safety Action Program, participation in multi-agency case tracking meetings and warm referral processes between agencies. This approach ensures clients receive a wholistic and best practice service response and is an example of multi-agency approaches improving victim safety and preventing and reducing domestic, family and sexual violence. UK experience shows this is a vital ingredient for reducing domestic violence in the community (Robinson & Pickles, 2003), and (Robinson A. L., 2006).

Case Study: Miguel

Miguel used a walker to assist with his mobility after falling and breaking his hip. But, at 78, he was fiercely proud of his independence. He loved living in the family home in Tuggeranong, which kept close the memories of his beloved wife Mary, who had passed away three years before. Miguel enjoyed walking to the local shops everyday to get a newspaper. He would say hello to everyone he met and always stopped for cup of tea at the local café. Most of the locals knew him and would enquire after his garden and his elderly cat. This daily outing helped maintain Miguel's mobility and kept him connected to his community.

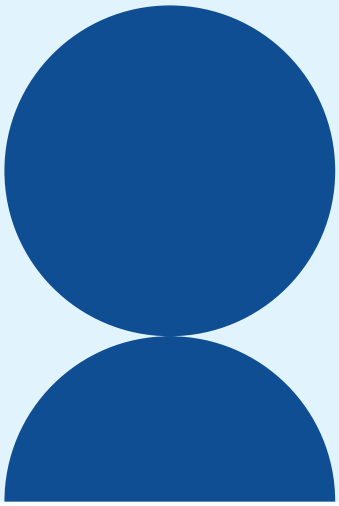
One day as he was walking to the shops he was approached by a man who threatened to hit him if he didn't hand over his wallet. Miguel kept walking. The offender pushed him and Miguel fell, breaking his glasses and spraining his wrists. The offender then stole his wallet. Miguel was unable to get up and was very afraid he had broken his hip again. His cries for help were heard by one of the shop owners who called an ambulance and came and sat with Miguel until it arrived.

Miguel spent several days in hospital after the incident, before returning home. While his hip wasn't broken, Miguel's aged-care nurse realised he was no longer going out for his daily walks because his cracked glasses were making it difficult for him to see and he was very anxious about what had happened and fearful it might happen again. The nurse referred Miguel to VSACT.

The VSACT case coordinator helped Miguel to complete a Financial Assistance Scheme (FAS) application, the purpose of which is to assist victims of crime to recover from acts of violence, to contribute to their sense of safety, to acknowledge the harmful effects of acts of violence and to complement other services provided to them.

The FAS payment covered new glasses for Miguel, as well as the out-of-pocket expenses for his physiotherapy appointments to help him recover from the fall. It also paid for upgrades to Miguel's locks as he was worried that the person who robbed him might come to his home.

The VSACT case coordinator linked Miguel with a counsellor who provided telephone counselling, as Miguel did not have easy access to transport and was, initially, very reluctant to leave his house. Miguel worked with the counsellor to work through his fear of being robbed again and set the goal of returning to his daily walk to the shops. He was able to do this within a few months and his neighbours and friends were there to celebrate his success.



VSACT activities

All of the modifications that needed to be done have been completed, the door and the cameras and spot lights, thank you so much from my daughter and myself, these modifications help us improve our well being and overall safety.

Client supported through Victims of Crime Financial Assistance Scheme

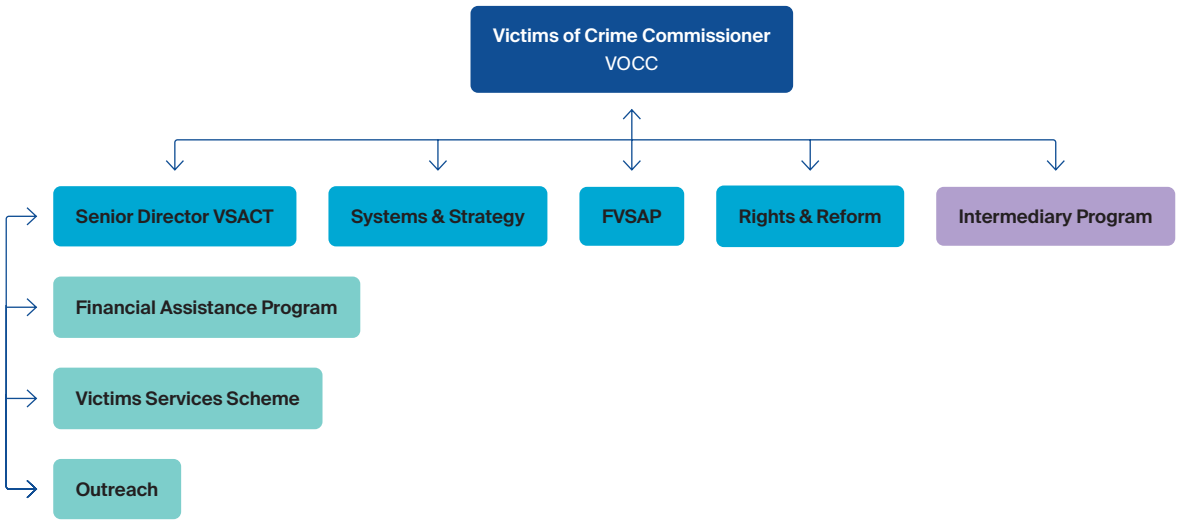
In the ACT, there is a Charter of Victims Rights to protect and promote the rights of victims of crime in the criminal justice system. These rights are contained in the VoC Act and commenced in January 2021. The Charter of Victims Rights formally recognises the vital role of victims in the criminal justice system and provides practical remedies when rights are breached. The Charter provides rights of respect, privacy and safety; access to support services and financial assistance; participation in justice proceedings; information about administration of justice processes; and information about investigations, justice proceedings and decisions. VSACT assists victims to navigate the criminal justice system and ensure their rights under the Victims Rights Charter are upheld. Where a victim of crime raises a concern that a right has not been upheld, the team will work with the victim and the justice agency to attempt to resolve the concern as effectively and efficiently as possible, as well as provide information about other options for how to make a complaint.

VSACT teams deliver the Victims Services Scheme (VSS), the Financial Assistance Scheme (FAS), the Family Violence Safety Action Program (FVSAP) in collaboration with the Domestic Violence Crisis Service, specialist Outreach and Court Support programs, rights-based justice advocacy and the Victims Register.

The VOCC also undertakes policy and law reform work and assists victims of crime to elevate their voices to ensure their views are heard and considered in the development of ACT policy and legislation. This includes provision of advice to ACT Government and justice agencies about a broad range of policy and legislative reform proposals to advance positive, systemic improvements for victims of crime in the ACT. The voices and experiences of VSACT's clients, along with contemporary research, directly inform the VOCC's priorities for policy and legislative reform.

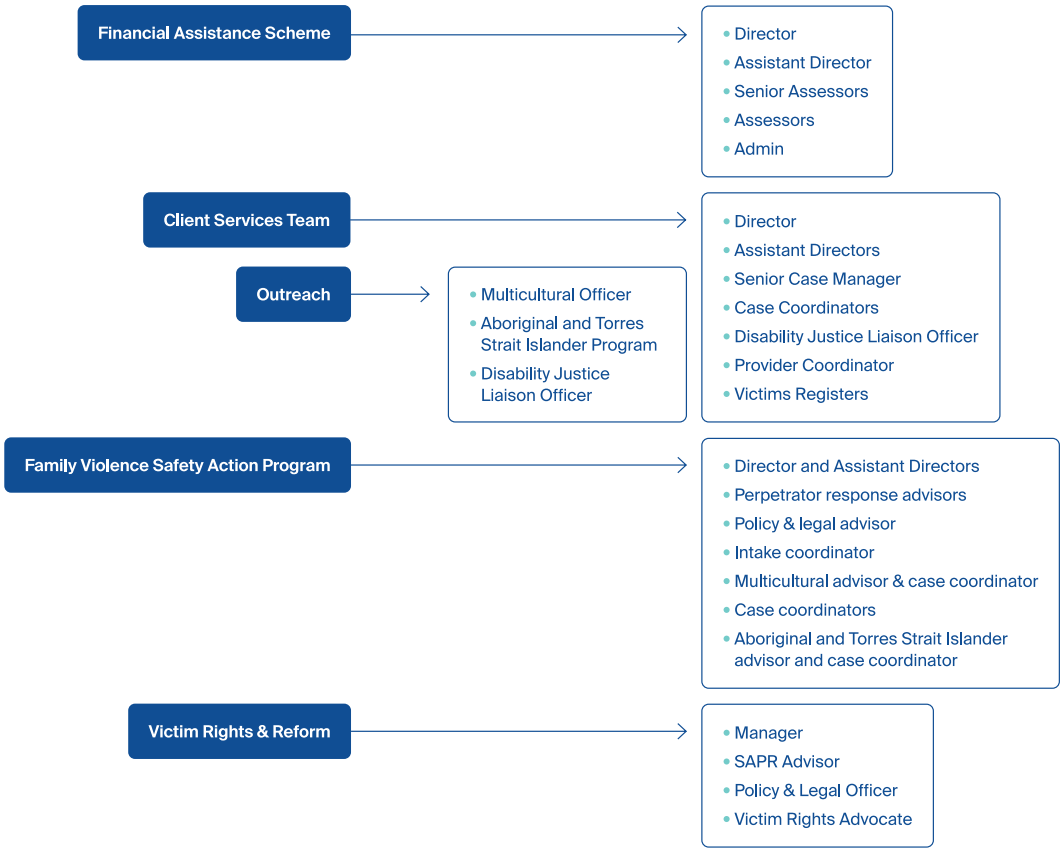
The VOCC is also responsible for oversight of the ACT Witness Intermediary Program – which will not be included for analysis in this CBA.

Figure 3: Victims of Crime Commissioner's program areas as of 2022/23



VSACT Staffing

Figure 4: Victims of Crime Commissioner's VSACT Staffing Structure as of 2022/23



The Victims Services Scheme (VSS) is delivered by the Client Services Team and assists recovery of victims of crime from the harm suffered, allowing them to take part in the social, economic and cultural life of their community. The VSS is a legislated scheme, delivered in accordance with the Victims of Crime Regulation 2000 (VOC Reg).

The team provide a broad range of supports to victims, including facilitating counselling and other therapeutic supports, assistance to navigate the justice system and advocacy to ensure victim rights under the Charter of Victims Rights are upheld, court support and case coordination. VSS support is victim-centred, and acknowledges the importance of providing help that is tailored to the needs of each individual.

Many victims choose not to disclose the crime to police and may not seek help for many years. The team supports people regardless of when the crime happened and whether the crime has been formally reported to police. Assistance is delivered using a timely, accessible, professional and individualised approach as appropriate to the victim.

Victims of violent crime such as assault, family violence or sexual violence are entitled to more hours of therapeutic support under the VOC Reg than victims of property crimes (such as burglary or property damage). More than 99% of VSACT clients have experienced violent crimes.

VSACT **outreach programs** include an Aboriginal and Torres Strait Islander program, a Multicultural Program and a Disability Advocacy Lead.

The Aboriginal and Torres Strait Islander outreach program aims to ensure that First Nations people who are victims of crime can access support and assistance in a culturally safe and responsive way. The program promotes understanding of victims rights within the Aboriginal and Torres Strait Islander community and provides support to First Nations people in a range of environments including in community, at health facilities and at the Alexander Maconochie Centre.

VSACT's multicultural liaison officer works closely with multicultural communities in the ACT to break down barriers to accessing VSACT services and improve access to justice. This work has a particular focus on engaging and supporting newly arrived migrants, refugees and asylum seekers and uses a holistic model of care that addresses the different needs of people from diverse cultural backgrounds who have been impacted by crime.

The Disability Advocacy Lead is a dedicated case coordinator advocate role within the client services team who supports clients with a disability, provides justice advocacy, for example ensuring victims have necessary supports to access to the justice system, and strengthens client referral pathways between the ACT disability support sector and VSACT.

The **Financial Assistance Scheme** (FAS) is prescribed by the Victims of Crime (Financial Assistance) Regulation 2016 and provides financial assistance to victims of crime to assist them to recover from acts of violence, to contribute to their safety and to acknowledge the harmful effects of violence.

The FAS can provide:

- immediate need payments to assist victims with urgent expenses. This may include applications for personal security (for example changing locks, installing security screens), relocation for personal security (for example, removalists, storage unit fees), emergency medical costs and related services that contribute to recovery;
- economic loss payments to cover financial costs incurred as a result of an act of violence; and
- recognition payments, which are lump sums paid to acknowledge the harm experienced because of a violent crime.

The FAS complements other services provided for victims of crime at VSACT and, as a 'scheme of last resort', can only provide assistance where reimbursement or compensation is not available via other avenues.

The **Family Violence Safety Action Program** (FVSAP) operated in partnership with the Domestic Violence Crisis Service, facilitates collaboration between ACT Government agencies and the community sector to identify, assess and respond to high-risk family violence matters. The FVSAP uses an expansive integrated risk assessment and response model which maintains focus on perpetrator accountability. The program is built on a foundation of listening to and walking alongside victim-survivors, amplifying their voices and experiences to inform service-system responses.

The FVSAP also delivers short-term, domestic and family violence informed case coordination. Referrals to the program are discussed at fortnightly collaborative meeting, where agencies commit to actions to reduce risk for victim-survivors and increase visibility of perpetrators. Safety action plans are informed by risk information held by each agency, with a primary focus on victim-survivor identification of risk and protective responses in their unique circumstances.

VSACT also administers the **ACT Victims Register** which plays a crucial role in assisting people affected by crime to make practical decisions about their safety and ensures they are offered appropriate supports and can participate in decisions impacting their safety and wellbeing. The Register facilitates provision of information to registered victims of crime in relation to management of the offender's sentence, including custodial sentences and community supervision orders. For example, information regarding a custodial sentence may include the length of the sentence, the offender's parole eligibility and earliest release date, and any unsupervised external leave given to the offender. Where an offender is serving a community supervision order, the information provided may include the duration of the order and information about the place and time the offender may be required to undertake community service work.

The Register also supports victim participation in post-sentence decisions made about the offender, including decisions by the Sentence Administration Board in relation to the granting of parole and parole conditions, as well as decisions made by ACT Corrective Services, including in relation to the transitional release program.

The Register team can also support affected persons where the defendant or offender may not have the mental competence or ability to commit the offence or stand trial and the matter is referred to the ACT Civil and Administrative Tribunal (the ACAT). This support includes safety planning and assistance for affected persons to participate in decisions made by the ACAT.

VSACT's Volunteer Justice Program is delivered by VSACT staff and highly skilled, trained volunteers. The program provides emotional and practical support to victims in a range of legal and justice settings. Staff and volunteers support victims of crime at various points in the ACT justice system, including supporting engagement with police, attendance at meetings with the DPP, attending court orientation and familiarisation tours, facilitating safe entry and exit at court including arranging Sheriff escorts, and giving evidence in the courtroom or a remote witness room.

Case Study: Haider

After Haider's husband walked out on her and their three children, she began an on again-off again relationship with Oscar. After some time, Oscar began to be physically violent towards her, pushing her around and on one occasion, locking her in the garage. He also used physical punishments to 'discipline' the children. Haider avoided seeking help because she was fearful that if she did, her children would be removed from her care. She was very afraid of this, as she had herself spent time in foster and residential care because of violence in her own childhood home.

One day Haider's youngest child, Nyalla, attended school with a badly bruised arm. Her teacher asked her if someone had hurt her. Nyalla said that her stepdad had hit her because she had left her shoes in the hallway. The teacher made a mandatory report to Child and Youth Protection Services (CYPS).

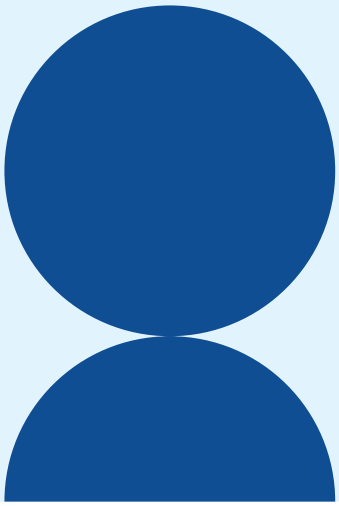
Haider was very reluctant to engage with CYPS and when she finally did engage, she seemed quite evasive and downplayed the situation – all of which raised concerns. Although CYPS believed Oscar was responsible for the violence, they did not see that Haider was doing anything to prevent the violence or to keep the children safe. As a consequence, they started action to remove the children.

Haider was desperate not to lose her children and asked CYPS what she could do. The CYPS worker explained that if CYPS saw she was taking action to keep her children safe, including by engaging with services, then she would be more likely to maintain custody.

Haider began to regularly engage with DVCS and accepted a CYPS referral to VSACT to access counselling. Oscar's violence, including threats to kill her and children, continued to escalate. Haider's documented safety planning with DVCS, along with her documented attendance at VSACT counselling, helped the CYPS team decide not to take action.

VSACT also connected Haider with the Family Violence Safety Action Program, and as part of this DVCS and VSACT supported Haider to plan a safe exit strategy. She decided she needed to move to a different state to get away from Oscar. The VSACT case coordinator assisted Haider to prepare a Financial Assistance Scheme (FAS) Immediate needs payments application, which can be used to support the taking of practical steps to contribute to the sense of safety of a person who has experienced a violent crime. This payment enabled her to pay for removalists and to install security cameras on her new property.

After the move, Haider contacted VSACT to thank them for their support. She said she had been terrified when she first engaged with CYPS that she would lose her children and that Oscar would murder her if she left. She said with the support from VSACT and the other services, she now felt safer than she had for many years, her children were doing really well and she was now confident that she could keep them safer, which was the most important thing to her.



I had a solitary life and the world was a big cold place. I am learning to accept and reach out for help from society, governments, and agencies. I have always had impediments, obstacles and rocks in the way, but those are now becoming stepping stones and I can over come them. I know I will come out stronger, better and will engage more with peers, society and have more relationships. A lot of that is from the support I have received from Victim Support.

Client supported by Client Services Team

What is the ACT Government response?

Australia has progressed rapidly in the last few decades in providing support and services for victims of crime. Much of this is the result of the hard work and commitment of victims themselves in advocating for or establishing the services. Nevertheless, research has shown that governments can play a substantial role in meeting victims' needs (Cook, David, & Grant, 1999, p. 121).

As described in detail above, VSACT is a key part of ACT Government's response to the harm suffered by victims of crime (at both an individual and systemic level). Victims of crime need: voice, control, knowledge, special services and, procedural rights in the criminal justice system, including rights at the point of sentencing (Ashworth, 2000) and (Holder & Englezos, 2024). In Canberra these needs are serviced by VSACT. The ACT Government also funds a range of specialist interventions to address the support needs of specific cohorts of victims, including the Domestic Violence Crisis Service (DVCS), Canberra Rape Crisis Centre and education programs to prevent crime. These programs are not analysed in this CBA.

VSACT works with thousands of Canberrans each year, operating as a one stop shop providing support, advocacy and financial assistance. VSACT teams provide wraparound services to people harmed by crime. VSACT support includes: referrals to other agencies; information; court support; counselling; and a case monitoring system.

What are the alternatives?



Before your team came on board I was in a very dark place, but now I know what the options are and what I can do.

Client supported by VSACT Family Violence Safety Action Program

CBA evaluation requires clarity regarding the comparison being made. What should we compare the VSACT against? Typically, this is a with/without comparison. We need to compare a social state with the VSACT and a social state without the VSACT to identify what the VSACT adds to society and value that addition to both costs and benefits. This use of counterfactuals is a standard recognised approach undertaken in cost benefit analysis (NSW Government, 2023; UK Government, 2020).

The main alternatives to VSACT that Government might consider to support victims of crime are:

- expanding the role of police and courts, or
- making cash payments to victims for employment of private service providers, or
- resourcing the community sector to deliver victims services, or
- denying support to victims of crime.

Relying solely on police and ACT courts to support victims of crime is unlikely to provide the same level of targeted advocacy and support delivered to victims by VSACT. Both agencies have core justice functions—the investigation and charging of offences, and the determination of criminal and civil cases—that potentially conflict with prioritising the rights and interests of victims. Therefore, this alternative is not considered.

Expecting individual victims to apply for funds to employ their own service providers (without VSACT involvement) would reduce efficiency and effectiveness. Reasons for this include the fact that individual victims are less likely to have the resources required to identify, procure and access the breadth and quality of services currently available via VSACT. Therefore, this alternative is not considered.

Outsourcing victim support to the community sector would decrease government control over the quality and nature of victim services. This is particularly important from a risk-mitigation perspective for the provision of direct financial support to victims. There are important synergies from combining delivery of VSACT services with the territory's most senior, independent statutory victims advocate. Separating provision of services from VOCC would limit the learnings from victims' experiences of the justice system that would be shared with the Minister and fed directly into law and policy reform to improve the ACT's justice system. Therefore, this alternative is not considered.

Accordingly, in this CBA, VSACT is compared with no assistance to victims of crime. Without VSACT many victims would go without the services and supports they are entitled to in order to recover from the impacts of crime and to participate in the social, economic, and cultural life of the Canberra community. By using this comparison, this CBA captures the incremental costs and benefits of VSACT.

This CBA compares VSACT against a base case scenario without VSACT. This is a with/without approach to identifying impacts. The incremental costs and benefits of VSACT are compared with the costs and benefits lost in the absence of VSACT. Without VSACT there would be a failure to provide appropriate services and this would come with its own costs, including decreased victim safety, poor physical and mental health outcomes, homelessness or insecure housing, financial instability, unemployment and social exclusion.

Case Study: Elise, Jane and Mark

Twelve year old Elise was staying with her grandparents, Jane and Mark for a weekend when the police arrived at their house in Belconnen to inform Jane and Mark their daughter Sandra, Elise's mother, had been murdered. The police also informed them that they had arrested Sandra's ex-partner, Elise's dad, and were going to charge him with her murder.

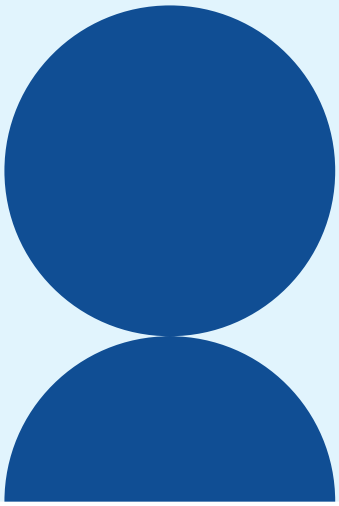
Jane and Mark were referred by police to the VSACT Financial Assistance Scheme (FAS), whose purpose is to facilitate payments that assist victims of crime to recover from acts of violence, contribute to their sense of safety, and complement other services provided to them. Jane and Mark were supported to apply for a funeral expense payment, which pays up to $8000 towards a funeral for a homicide victim. They also received an immediate needs payment, which enabled payment for specialist clean-up of the crime scene at the family home where Sandra was found.

A VSACT case coordinator linked Jane, Mark and Elise with counselling support, including specialist support for Elise. They also linked Jane and Mark with a range of services that supported them to seek, and be awarded, parental responsibility for Elise. The case coordinator also liaised with police to ensure Jane and Mark were provided with information about what charges had been laid against Sandra's ex-partner, along with the expected timeline for the matter to proceed to court. When the matter went to court, a VSACT volunteer attended with the family for the duration of the trial – including sitting in the remote witness suite with them when they were giving their evidence.

For several months, in the aftermath of Sandra's murder, Mark was unable to work in his plumbing business, which he operated as a sole trader. Mark received an economic loss payment through FAS, which covered reimbursement for lost wages. This enabled him and Jane to maintain their mortgage payments and to provide a secure home for Elise.

Sandra's ex-partner was found guilty of murder and sentenced to 12 years in prison with a non-parole period of 9 years. Jane and Mark were given information about the ACT Victims Register, which provides information and updates about an offender's sentence. Jane and Mark decided to register, and to also receive information on behalf of Elise. When the offender was transferred to a prison in New South Wales because he was facing charges in that state, the Victims Register team ensured that Jane and Mark were informed. If the offender applies for parole, the team will contact Jane and Mark to let them know. They will also be available to help Jane and Mark prepare a statement to the Sentence Administration Board (if they wish) – to outline their concerns about the granting of parole, and any parole conditions they would like to see in place if it is granted.

The case coordinator supported Jane, Mark and Elise to apply for a recognition payment, which is a separate type of FAS payment that can be made to acknowledge the harm experienced because of a violent crime. They each received a payment and due to the nature of Elise's loss, hers was the highest. The payment amount for Elise was placed in trust for by the ACT Public Trustee, for her to access when she is 18. Jane and Mark believe this is what their daughter, Sandra, would have wanted for Elise, to provide Elise with some greater financial security when she grows up.



What are the benefits?

Government support for victims of crime substantially improves safety and welfare in Canberra. If the Canberra community is to flourish equitably and successfully, victims of crime need support.

In the aftermath of a traumatic experience, the degree and quality of social support received by victims is of particular importance to their subsequent adjustment (Grabosky, 1989, p. 9). The government support provided by VSACT is needed because victims with persistent economic difficulties, (including limited income and employment), experience lengthier and more serious impacts (Burgess & Holstrm, 1974).

The work of VSACT complements, and is complemented by, the range of other services and agencies who also work with victims of crime. These other agencies and services deliver significant benefits in, and of, their own right, however those benefits are not the subject of this CBA. This CBA seeks to estimate the benefits delivered by the work of VSACT and it does this by considering the counterfactual as to what would be the experience of victims if VSACT did not exist. This allows the specific impact of the support provided by VSACT to be considered and the strength of this approach is reinforced by the use of highly conservative estimates of benefits.

VSACT's timely assistance reduces the negative impacts of crime. If psychological trauma is dealt with as soon as possible the severity, duration and frequency of the victim's emotional reactions may be ameliorated, and the long-term risk of developing a diagnosis of PTSD is diminished (Cook, David, & Grant, 1999, p. 32).

VSACT assistance helps governments avoid serious lifetime economic penalties from unsupported victims of crime: including higher costs in providing education, health, housing, social service, and justice system responses. VSACT support to victims of crime strengthens the ACT community and lessens the demand for other government services.

Based on the research literature, VSACT support for victims of crime reduces Canberra's rates of:

- emotional and psychological damage borne by victims, their families and their communities,
- hospitalisation and other health care use,
- housing support,
- policing,
- imprisonment,
- criminal justice proceedings,
- unemployment and lost productivity,
- out of home care for children, and
- erosion of family life (Walby S. , 2004, p. 11).

This work saves substantial government resources and enables victims to better contribute to Canberra's economy.

VSACT provides substantial benefits for victims of crime, their families and the wider community. VSACT provides support services and funds the purchase of improvements in physical, emotional, and social capital which flow through to better educational, health and justice system outcomes benefiting the wider community.

Support for victims of crime uses economic resources and produces economic benefits. The benefits valued in this CBA are based on VSACT promoting earlier and lower cost intervention; freeing resources for other economic opportunities; and increasing the productivity of victims of crime and their families. In this way, VSACT provides major benefits to Canberrans. VSACT minimises the resources required to support victims of crime and raises their productivity as members of the wider community.

Drawing on relevant research, benefits for victims of crime and their families from accessing VSACT services are substantial. They gain:

- A voice;
- Increased confidence, self-esteem, dignity, respect, independence, choice and control;
- Empowerment and personal development;
- Raised expectations about what is possible:
- Improved health and wellbeing;
- Reduced mental distress;
- Increased feelings of safety and security, and the option to take practical steps to decrease their risk of further victimisation;
- A more positive self-identity;
- Increased ability to access and use information and services;
- Increased ability to gain and retain meaningful employment;
- Improved education achievements;
- Reduced homelessness; and
- Networks and support to build relationships.

Based on (Welsh, Farrington, & Gowar, 2015, p. 465)

VSACT saves **government** substantial resources. Without VSACT there would be a substantial increase in the resources required by the justice system and social services to effectively engage with victims of crime. These costs would be borne by government justice, health and welfare systems.

The benefits for the **wider community** from VSACT are substantial. The community gains:

- Quality assurance and diffusion of best practice among providers;
- Reduced emotional and psychological stress experienced by victims, their families and the community; and
- Greater awareness across the wider community of the impacts of crime;

The benefits of VSACT included in this CBA are:

- Reductions in the emotional and psychological costs for victims and their families experienced as a result of:
  - lost quality of life, pain, and suffering
- Reductions in costs (savings) to victims of crime arising from:
  - medical care, property losses
- Reductions in costs (savings) to family members of crime victims arising from:
  - funeral expenses, loss of wages, loss of quality of life;
- Greater productivity for victims and their families arising from:
  - better educational, employment, health and housing outcomes,
- Reduced costs for governments (resources freed for their next best use) arising from savings in:
  - health care, child welfare services, justice system services, education, housing, etc.

The Canberra community benefits substantively from the work of VSACT.



If you weren't there, I would have never come this far. I would still be stuck in the nightmare of the abuse. I've called all of these agencies in the past but things have always just gone around and around. It's only when you came into my life that things started moving.

Client from culturally and linguistically diverse background supported by VSACT Family Violence Safety Action Program

Program logic

VSACT benefits are the logical outcome of the economic inputs used up by VSACT.

Evaluation needs to be based on a theory of how the evaluated intervention functions. In the evaluation literature, this is referred to as a 'logic model', 'theory of change', 'pathways of change' or 'critical path analysis' (Whelan, 2009), (Harvard Family Research Project, 2009) (Guthrie, Louie, & Foster, 2006), (Reisman, Gienapp, & Stachowiak, 2007), and (Organizational Research Services, 2004). This is essential because it defines the inputs (costs) and outputs (benefits) of VSACT.

VSACT's logic model is based on the Conservation of Resources Theory[4]. Under this theory, crime victimisation is stressful because it results in the loss of valued resources for example self-esteem, normal social interaction, employment, health, education and more. VSACT works with victims to reduce resource loss and increase resource gains by delivering the Victims Services Scheme (VSS), Family Violence Safety Action Program, and administering the Financial Assistance Scheme (FAS) and Victims' Registers.

The relationship between VSACT inputs and outputs (cause and effect) is summarised in the Logframe table below. This table shows that VSACT employs a logical relationship between:

- **inputs** (*labour, services, materials, etc*) which are used in VSACT activities:
- **activities** (*VSS, FAS, FVSAP, Victims Register*) to produce a set of outputs/outcomes:
- **outputs/outcomes** (*earlier access to more appropriate and cost-effective services*) to achieve VSACT's purpose:
- **purpose** (*freeing government and victims' resources for other uses plus more productive community participation and employment of victims, and their families*) which achieves society's goal:
- **goal** (*increased wellbeing of ACT community*).

Using this causal hierarchy helps ensure that only the costs and benefits logically connected to VSACT are included in this CBA.

The Logframe recognises this CBA's **costs** as the *inputs* (resources) used by VSACT. The CBA's **benefits** are recognised as *purposes*.

The Logframe (Table 1) displays the hierarchy of VSACT impacts in the Narrative Summary column. In the table, impact causality rises, that is: impacts below cause the impacts above.

The Measurable Indicators column quantifies how VSACT impacts will be measured.

The Means of Verification column records where the measurement information will be sourced.

The Logframe table summarises the assumptions (shown in the final column) underpinning the causal relationship between inputs and outputs. The assumptions must hold for causality to work. The assumptions allow the program to move up the Logframe table and achieve the goal. These assumptions are important for determining what can go wrong with the intervention and therefore the risks to be included in the sensitivity analysis undertaken later in this CBA.

Table 1: Logframe: VSACT

Narrative Summary	Measurable Indicators	Means of Verification	Important Assumptions
Goal: (program objective) wellbeing of ACT	Net present value	CBA report	
Purpose: (aim or impact) • psychological support • community safety • less healthcare & hospitalisation • more productive employment • better education • less out of home care • less justice system us • an efficient, fair justice system that upholds victim rights	**End Status** • resources saved • more output	• stakeholder interviews • literature search	*Purpose to Goal* • value of benefit over-estimated • discount rate excessive

Outputs: (deliverables)
• earlier access to more appropriate, coordinated & cost-effective services
  ◦ information & referrals
  ◦ case coordination
  ◦ counselling / therapeutic support
  ◦ collaborative responses to high risk family violence
  ◦ access to rights
• financial assistance
• systemic advocacy to improve the legal system and victim services
	Terms of reference
	• no. accessing services & finance
	• no. of reports submitted
		• VSACT budget
		• stakeholder interviews
			Output to Purpose
			• Reports unread
			• Services inappropriate

Activities: (key clusters or work breakdown structure) • VSS • FAS • FVSAP • Victims Register • advocacy • policy advice	**Inputs**: • (budget, people, material, time, cost) • labour • services • materials	• VSACT budget • stakeholder interviews	*Activities to Output* • resources are insufficient or inappropriate

Case Study: Duncan, Anisa and Kaine

On the first day of term Kaine, who was in Grade 9 at a high school in the Tuggeranong Valley, was attacked by two older students as he walked to class. They grabbed his bag, threw his belongings in the rubbish bin, pushed him to the ground and held him down calling him a mutant 'Kaine' toad. The incident was filmed by a number of students, placed online and quickly went 'viral'. By the end of the day lots of students were calling him 'mutant' or 'Kaine toad'. Kaine did not tell his parents what had happened but he refused to go to school.

Duncan and Anisa, Kaine's parents, only learned about the incident about two weeks later, when another parent asked how Kaine was doing. Kaine's parents were very distressed to learn what had happened. Duncan immediately contacted the school asking why they hadn't been informed and demanding that the students who attacked Kaine, along with the students who filmed the incident, be expelled. Duncan also reported the matter to the police, who referred the family to VSACT.

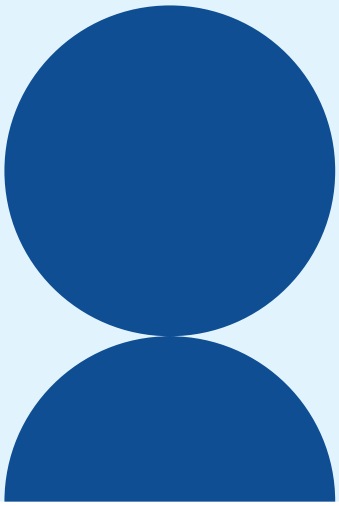
The VSACT case coordinator explained the ways they may be able to offer support. Neither Kaine nor Duncan wanted to speak to a VSACT counsellor. Anisa accepted counselling where she explored how difficult she was finding it to dealing with Duncan's anger, as well as her own feelings of failing to keep her son safe, along with her worries about what would happen if Kaine withdrew completely from school. The counsellor supported Anisa to understand that all children and young people have the right to learn and develop in safe and healthy environments.

Duncan and Anisa had been very focused on making Kaine attend his current school. Counselling led Anisa to ask Kaine what he wanted. He said he wanted to go to a new school where nobody knew him. Anisa talked with Duncan, and they agreed that giving Kaine the opportunity to attend a new school was better than pushing him to stand up to the bullies, which was only serving to make him avoid school.

They agreed Kaine could start at a new school at the end of term but that in the meantime he needed to do schoolwork at home, under Anisa's supervision, for the rest of the term.

The change in his mum and her responses to things made Kaine curious to try counselling for himself. He attended a number of sessions with a VSACT counsellor, which helped him to prepare for his new school and to work out ways of staying focused on school-work so he didn't fall further behind.

Duncan decided he would apply for financial assistance scheme recognition payment on behalf of Kaine, which is a type of payment that can be made to acknowledge the harm experienced because of a violent crime, where that matter is reported to the police. Duncan was helped to prepare the application by a VSACT Justice Volunteer. Kaine was found eligible for a recognition payment, which was placed in trust with the ACT Public Trustee until he turns 18.



Identify the economic impacts (costs and benefits)

> The money will allow me to pay for a course and I have already been offered an apprenticeship. This wouldn't have been able to happen so quickly without the help I received from you all.
>
> **Client supported through Victims of Crime Financial Assistance Scheme**

As identified in the Logframe analysis VSACT has numerous benefits and costs.

The VSACT costs directly used up (in administration, advice, services, etc) are a set of resources (labour, materials, etc). These resources are therefore unavailable for other uses in society and should be included in CBA as an opportunity cost to society.

VSACT provides information, advocacy, therapeutic services, and financial assistance, releasing resources for their next best use. These resources would have been required if VSACT had not assisted victims. These released resources come from the victim, the victim's family, and government. The benefits valued in this CBA include VSACT reducing the total cost of ACT policing, courts, prisons, health care, education, etc. by moving victims from expensive institutions (crisis accommodation, hospitals, out of home care) into the community.

VSACT allows the resources and activities in the community to be more productive. For example, VSACT will help improve school attendance and employment outcomes. This raises the productivity of ACT workers and increases the output of the ACT economy.

These impacts are mapped in the impact chart below (Figure 5). The chart uses the Logframe concepts of Inputs, Activities, Output and Purpose to identify the flow of causation in VSACT. The chart also identifies the valuation techniques used to measure the Purposes. This technique validates that this CBA includes only relevant costs and benefits.

Categorising stakeholders assists in identifying relevant costs and benefits. The stakeholder table below (Table 2) lists the key stakeholders impacted by VSACT. Understanding which groups are involved in supporting victims of crime, their point of view and objective is an important check on the costs and benefits identified in the impact chart above. It also provides an input into the Incidence Table (Planning Balance Sheet) used to examine the distribution of costs and benefits (Krutilla, 2005).

Figure 5: VSACT Impact Chart

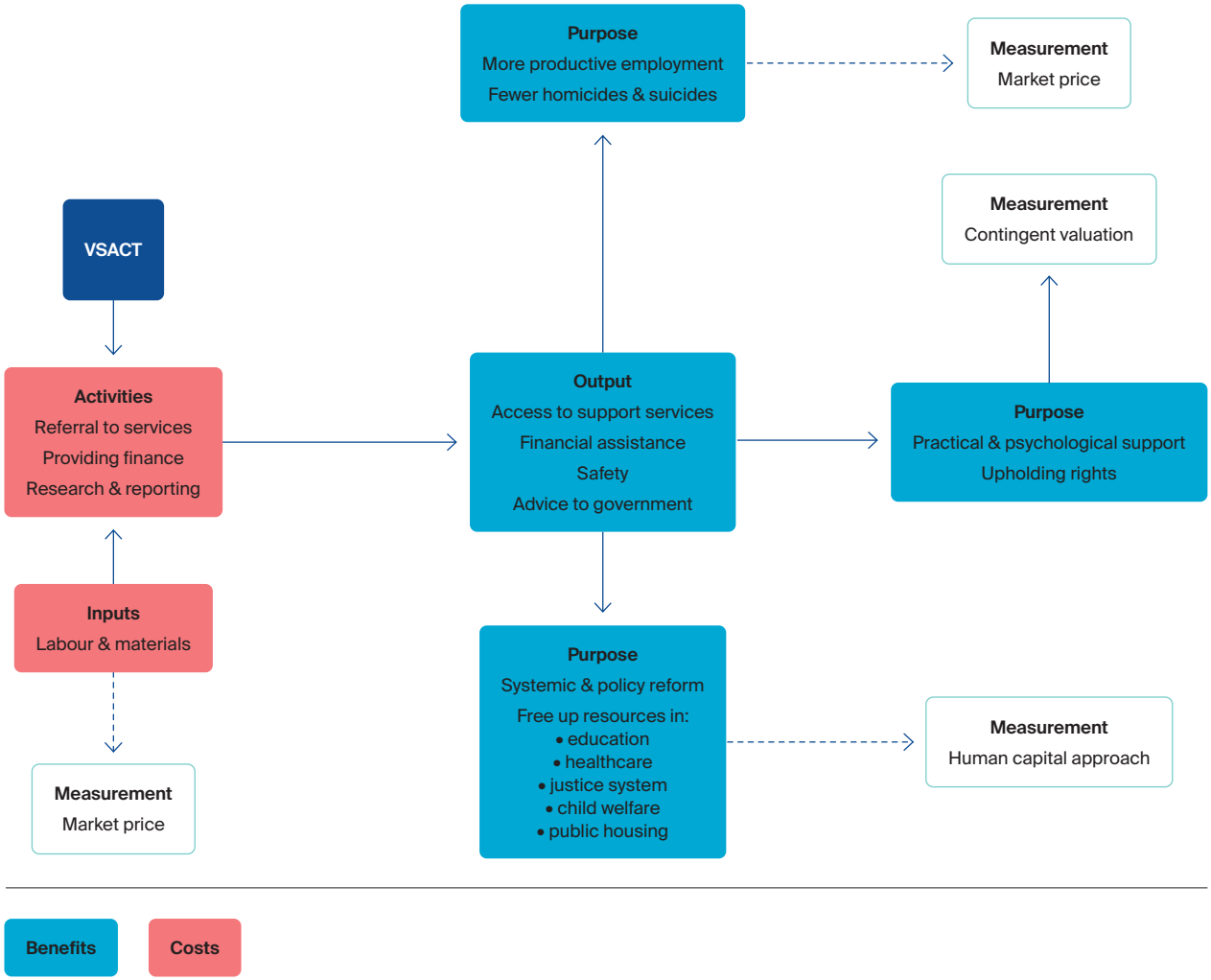


Table 2: VSACT – Stakeholder objectives

Stakeholder	Point of view	Objective
ACT government	Territory	Improve the safety & wellbeing of ACT community
Victims of crime & their families	Individuals	Improve individual wellbeing
Public Housing	Govt. agencies	More appropriate housing
Child, Youth & Family Services	Govt. agencies	Less notifications, care & family violence
Police	Govt. agencies	Improved use of Police resources
Courts	Govt. agencies	Improved use of Court resources
Prison system	Govt. agencies	Fewer prisoners, better prisoner management
Education	Govt. agencies	Pupil attendance & completion
Health system	Govt. agencies	Fewer admissions

The incidence of the benefits and costs of VSACT fall on several groups within society. These are:

- victims/survivors and their families and friends;
- perpetrators;
- government; and
- the rest of the community/society.

The Incidence Table (or Planning Balance Sheet) (Table 3) summarises the costs and benefits of VSACT's stakeholders. Examining the stakeholders it is clear that the costs are borne principally by government funders, but this is more than offset by the reduced cost of government justice, health, housing and education agencies. The greatest benefits go directly to victims of crime.

VSACT provides governments with substantial cost savings while improving the wellbeing of victims of crime.

Table 3: The Incidence of costs and benefits

Participant	Cost	Benefit
Victims & family	their time	better health & wellbeing increasing productivity.
Government funders	grant money	fulfilling government policy, reducing government spending.
VSACT	labour, rent, etc	professionalism, quality control, improved performance.
Housing	nil	free resources for other users.
Justice system	nil	free resources for other users.
Health	nil	free resources for other users.
Child Protection	nil	free resources for other users.

Case Study: Shane

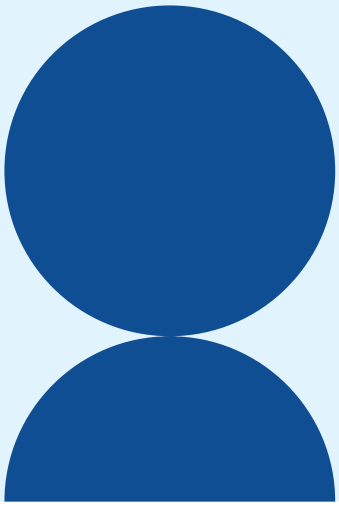
Shane was meeting up with some friends to celebrate his new job. As he and his friends walked through Civic they were approached by two men who seemed very inebriated and who began making fun of them. Shane and his friends ignored the men and kept walking. However, the men followed them, making aggressively homophobic comments. After a little while, Shane calmly asked the men to go away and leave them alone. One of the men then threw a punch, which knocked Shane to the ground. He was unconscious and his friends called an ambulance which took him to hospital. Shane's nose was broken requiring surgery, three of his teeth were badly chipped, he had severe bruising to his face and back and was severely concussed.

The offenders fled. Despite clear CCTV footage of the entire incident and witness statements, the offenders were not able to be identified and no one was charged. Shane was hospitalised for several days, which meant he was not able to start his new job. While he was recuperating, Shane began to get increasingly anxious about what might happen once he was discharged.

The hospital connected Shane with VSACT and the VSACT case coordinator was able to support Shane to reach out to his new employer and negotiate a new start date. The VSACT case coordinator assisted Shane to prepare an application for the financial assistance scheme (FAS), the purpose of which is to assist victims of crime to recover from acts of violence, to contribute to their sense of safety, to acknowledge the harmful effects of acts of violence and to complement other services provided to them.

The FAS payment was approved and paid for the dental treatment to repair his chipped teeth and other medical expenses. Because the violence was reported to police, the VSACT case coordinator was able to assist Shane to apply for a recognition payment, which is a separate type of FAS payment that can be made to acknowledge the harm experienced because of a violent crime. Shane used the amount he received towards a part-deposit for his first apartment.

The case coordinator also linked Shane with a psychologist with extensive experience supporting people who have undergone traumatic events. Shane had ten sessions with the psychologist, which enabled him to start his new job on the re-negotiated start date. Shane had also been experiencing panic attacks at the mere thought of meeting his friends in Civic. With the support of VSACT and the psychologist, Shane was able to confidently meet friends and enjoy their company without feeling the need to constantly check over his shoulder or being hyper-anxious about being assaulted again.



Valuing VSACT costs and benefits

When I was in the [domestic and family violence], I lost myself and I couldn't see a way out. But worse than that, I stopped caring and I had given up. And then I met FVSAP and everything changed. And things felt possible.

Client supported by VSACT Family Violence Safety Action Program

Economic valuation requires assumptions to make complex reality tractable in a rigorous cost benefit analysis framework. As shown in the preceding analysis, this CBA embodies the relevant costs and benefits. The costs and benefits need to be valued to measure VSACT net impact on Australia's economic wellbeing.

This CBA assumes a 10-year timeframe beginning in 2023. Ten years is a sufficient timeframe to encompass the relevant future benefits and costs. Longer time periods increase uncertainty. The future benefits and costs are compared by aggregating back to the year 2023 using a discount rate of 8% (explained below).

As of 2022/23, the ACT Government imposes three different victim related levies to contribute to the costs of the VSS and FAS. These are:

- $60: Victim Services Levy; imposed by court following conviction; one levy per offender; Victims of Crime Act (VOC Act) and VOC Regulation;
- $50: Financial Assistance Levy; imposed by court following conviction; one levy per offence/ conviction; FAS Act and FAS Regulation; and
- $60: Victims Traffic Levy; one levy included in each traffic infringement notice; Road Transport (Offences) Regulation 2005(Road Transport Regulation).

VSACT may also receive discretionary funds from the Safer Families Levy imposed on home owners in relation to DFV and from the Confiscated Assets Trust.

Monies from these levies and the trust are transfer payments and therefore, are not considered costs or benefits (they are simply amounts of money transferred between people) and hence they are not included in the costs and benefits outlined below.

The CBA techniques used in this report are in accord with relevant professional practice. CBA commonly makes economic valuations based on the research literature. This methodology is known as Benefit Transfer and is used in this CBA. Attachment F summarises the relevant research literature to substantiate the valuations adopted in this CBA.

Details of the valuation of VSACT costs and benefits are given below. They have been verified with relevant stakeholders, however the estimates are the responsibility of the authors.

Costs

Cost Summary: VSACT

2023–2032 Total Present Value
(2023 dollars discounted by 8% over ten years).

VSACT	$57.7 million
Total Costs	**$57.7 million**

VSACT labour, rent, services and supplies

REASON:

The resources consumed by VSACT will not be available for other uses and therefore are an opportunity cost to society. These costs would not have occurred without VSACT.

METHODOLOGY:

The resources used by VSACT will be purchased in competitive markets where prices are a good estimate of economic value. Therefore, these costs are valued at market prices.

This CBA uses cost estimates supplied by VSACT for 2022–23 and estimates prepared for the Justice and Community Safety Directorate (ACIL Allen, 2023).

Annual VSACT costs (2022/23 Financial Year) are estimated to be:

- $5.8 million for staffing;
- $0.8 million support costs (IT insurances and office accommodation);
- $1.4 million for approved provider costs; and
- $0.6 million for purchase of goods and services for the personal protection, and/or relocation of, victims of crime.

This gives a total cost of $8.6 million per year.

2023–32 Total Present Value: $57.7 million
(2023 dollars discounted by 8% over ten years).

Benefits

Benefit Summary: VSACT agencies

2023–2032 Total Present Value
(2023 dollars discounted by 8% over ten years)

Productivity improvements (output gains)	
Longer life	$1.5 million
Healthier workers	$8.2 million
Workforce engagement	$72.5 million
Children's education	$15.3 million
Law reform & policy advice	$1.3 million
Resources freed for alternative use (cost savings)	
Complaints tribunals	$1.6 million
Damage reduction	$1.3 million
Healthcare savings	$2.7 million
Housing savings	$5.3 million
Support person's time	$1.5 million
Child protection	$1.6 million
Justice system (time)	$4.2 million
Justice system (children)	$0.7 million
Total Benefits	**$117.7 million**



I feel very grateful to FVSAP. I have been allocated a head lease. CYPS are now looking at progressing a restoration plan with me. Thank you for all of the support. I couldn't have done this without you.

Client supported by VSACT Family Violence Safety Action Program

Productivity improvements (output gains)

VSACT increases ACT output by allowing victims of crime and their families to be more productive. VSACT interventions improve physical and mental health, educational achievement, local economic development, and lowers rates of homicide, suicide, and substance abuse.

Longer life (Fewer deaths)

REASON:

VSACT will reduce the number of suicides and homicides in the ACT. The resulting longer lives will mean more employment and production. The economic value of the extra production gains from longer employment are a benefit to society (increased output) and are included in this CBA.

METHODOLOGY:

Between 2014 and 2021 the number of **homicides** in the ACT varied between 4 and 12 persons per year (Australian Bureau of Statistics, 2021-22). In this CBA, it is conservatively assumed that VSACT interventions indirectly lead to a reduction of homicides of 1 per five years.

Between 2014 and 2021 the number of **suicides** in the ACT varied between 28 and 65 persons per year (Australian Bureau of Statistics, 2021). In this CBA, it is assumed that VSACT interventions reduce suicides by 1 per year.

Conservatively, assuming an average wage of $20,000 over a working life of 20 years, for the 1 homicide avoided per five years and 1 suicide per year avoided due to VSACT, and discounting by 8% (annuity factor of 9.8181) the present value of the increase in employment estimates a total improved productivity valued at $196,000 per year plus another $196,000 every five years.

See Attachment F for more detail.

2023–32 Total Present Value: $1.5 million
(2023 dollars discounted by 8% over ten years).

Production gains from healthier workers

REASON:

VSACT support for victims of crime improves the health of victims of crime and therefore their production in the labour force. VSACT support for victims of crime reduces work time lost due to ill health and early retirement. This increases their life time contribution to economic output. The economic value of production gains due to these employment improvements are a benefit to society (increased output) and are included in this CBA.

METHODOLOGY:

VSACT support improves the general health of victims of crime and lengthens their lifespans. Estimates of the value of a human life[5] should ideally include both the productive value of a human life (Human Capital Approach) and the consumption benefit of a human life (willingness-to-pay or Contingent Valuation).

This CBA takes a conservative valuation approach by using the Human Capital Approach (HCA) to estimate the value created by better health. The value of life estimates used here only measure the productive value of a human life and as such are minimum estimates.

An extra year of working life will, through the increased production from that work, be a benefit, increasing the resources available to ACT society.

To be conservative, a very low estimate for the average productive value of a human life is used in this CBA and the consumptive value is omitted.

This CBA assumes that 10% of the 1,990 victims of crime supported by VSACT (199 people) gain an average of one extra year of working life (after an average of 20 years) and values this extra year at $15,000. Discounting back to the present at 8% per year over the 20 years (discount factor of 0.2146) gives a present value of $3,219 per person per year and $641,000 for the total of 199 people.

In addition to an extra year of life, better health will result in higher production in employment (ie fewer sick days). This CBA assumes that 10% of the 1,990 new victims of crime supported by VSACT (199 people) will be 2% more productive over a working life of 20 years at an average wage of $15,000 per year. This gives a $300 increase in production per year over the 20 years. Discounting back to the present at 8% per year (annuity factor of 8.8181) gives a present value of $2,945 per person per year and $586,000 for the total of 199 people.

Together the annual benefit of better health is $1,227,000 per year.

See Attachment F for more detail.

2023–32 Total Present Value: $8.2 million
(2023 dollars discounted by 8% over ten years).

Workforce engagement

REASON:

Crime, particularly domestic, family and sexual violence, reduces a person's capacities and capabilities in many ways, one of which is the ability to work. VSACT assists victims of crime to engage more fully in the workforce, both paid and unpaid. The economic value of a larger workforce is expanded output and this is a benefit to society. It is therefore included in this CBA.

METHODOLOGY:

The benefits of reduced unemployment are measured by the contribution the employed make to production and are valued by average weekly earnings (human capital approach). Expanded employment also increases taxation revenue raised by Government and reduces expenditure on unemployment benefits, however these are transfer effects rather than a net benefit. Accordingly, taxation benefits are not included as to do so would result in double-counting (Wilkins, Love, & Greig, 2012).

In this CBA the increased employment and output due to VSACT support is conservatively valued at the minimum wage rate. This provides a minimum (i.e. conservative) estimate of a person's wage (in competitive employment) and thereby an estimate of the value of output (net of other input costs) produced by that person.

Based on the research literature summarised in Attachment F and VSACT data, this CBA uses the following conservative assumptions.

The number of victims of crime who gain employment due to VSACT support, plus those already in employment, but who would have become unemployed without VSACT support, is estimated as 5% of the 1,990 new victims supported by the VSS in 2022–23. This results in 99 extra victims of crime in employment. It is assumed 50 of these victims of crime would be employed for an extra 10 years and 49 would be employed for an extra 5 years.

Taking a very conservative assumption that the employment is at an average annual wage of $20,000 pa over a part-time working life of 20 years for 50 victims of crime who would not otherwise been employed and discounting by 8% (annuity factor of 9.8181) gives an annual benefit of $9,818,000.

In addition, assuming a part-time average annual wage of $5,000 pa over only 5 extra years for 49 victims of crime (annuity factor of 3.9927) gives an annual benefit of $978,000.

Added together this is an annual benefit of $10,796,000 from greater workforce engagement.

See Attachment F for more detail.

2023–32 Total Present Value: $72.5 million
(2023 dollars discounted by 8% over ten years).

Children's education

REASON:

VSACT support for victims of crime improves the educational performance of students and their lifetime contribution to the labour force. By supporting parents to address the impacts of trauma, VSACT supports an increase in capacity and day to day-functioning, and enables parents to be more actively engaged in parenting tasks related to educational and school activities. This parental involvement is an important contributor to educational achievement of children (Hill & Tyson, 2009).

VSACT support provided to children who are victims of crime, to address the impacts of trauma, reduces their school absenteeism, performance problems and misbehaviour. These are significant predictors of early school leaving (Eivers, Ryan, & Brinkley, 2008, pp. 8-9) and will reduce their lifetime contribution to the labour force.

The economic value of production gains due to these employment improvements are a benefit to society (increased output) and are included in this CBA.

METHODOLOGY:

Using the Human Capital Approach methodology and based on the research literature summarised in Attachment F, this CBA conservatively estimates the benefits of VSACT to be a very conservative 0.5% average[6] increase in lifetime earnings for children who are primary victims of crime and children of victims of crime.

The number of children assisted directly or indirectly by VSACT is calculated as 1,609 based on information supplied by VSACT. See Attachment E for the calculations and assumptions.

Assuming a very conservative average annual wage of $40,000 (below minimum wage) over a part-time working life of 30 years and discounted by 8% (annuity factor of 11.2578): the present value of the 0.5% increase in income totals $2,252 per child over their working life. For the 1,609 children assisted each year this results in an improved productivity valued at $3,623,000 per year.

This lump sum value of the annuity of the 0.5% increment in lifetime income will not begin until the students finish school and begin employment. It is assumed there is an average of six years from the VSACT intervention to the beginning of employment. A benefit achieved six years in the future is not as valued as a benefit in the current year. Therefore, the improved productivity needs to be discounted at 8% pa (discount factor of 0.6302) giving a present value benefit from each year's VSACT support for victims of crime of $2,283,000.

See Attachment F for more detail.

2023–32 Total Present Value: $15.3 million
(2023 dollars discounted by 8% over ten years).

Law Reform and Policy Advice

REASON:

VSACT support for victims of crime includes the preparation of policy advice to government, submissions to, and appearances before, inquiries, and other systemic project work. This work aims to improve the justice system and the experiences of victims of crime, and represents a benefit to society. It is therefore included in this CBA.

METHODOLOGY:

The value of this law reform and policy advice is estimated by using the Replacement Approach. If VSACT did not undertake this work, it would have to be purchased from consultants. The price paid for similar work is used as a proxy for VSACT law reform and policy advice.

Typically, each year, 20 significant advices to Government are produced by VSACT. These are valued by the cost of using consultants to prepare such advices. It is conservatively assumed this would cost $10,000 per advice. The 20 advices per year are valued at $200,000

See Attachment F for more detail.

2023–32 Total Present Value: $1.3 million
(2023 dollars discounted by 8% over ten years).

Resources freed for alternative use (cost savings are a benefit)

VSACT support for victims of crime reduces the calls on other public services: delivering cost savings by freeing economic resources for other use. VSACT support assists victims of crime to find the most appropriate services (health, justice system, accommodation, education, etc). Typically, these appropriate services are less expensive (over the life of the victim of crime) than the services used without VSACT support. The Commonwealth or Territory governments fund most of these services and therefore the benefits (net of the cost of the VSACT alternatives) flow directly to reductions in government budget deficits, or can be used to support other government priorities. The resources freed by this improvement in efficiency are available for other use in the ACT economy and are therefore included as benefits in this CBA.

Cost savings for AFP Professional Services, ombudsmen and complaints tribunals

REASON:

VSACT support reduces the number of complaints cases going to formal resolution bodies including the AFP Professional Services Unit, the ACT Ombudsman, and the ACT Human Rights Commission. This delivers substantial public sector cost savings for these bodies. These savings free resources for other use and are a benefit to society and therefore are included in the CBA.

METHODOLOGY:

It is assumed that, in the absence of VSACT, 10%, or 199 clients, of VSACT supported clients would have gone to a complaint body. Of those 199, 100 are assumed to be informal inquiries and 99 are formal complaints requiring more substantial resources.

This CBA conservatively estimates the benefits of avoiding *informal* complaints to complaint bodies to be $400 per person per year. For the 100 victims avoiding informal complaints this gives a total annual saving of $40,000. For more *formal* complex complaints, it is assumed each case will save $2,000 per complaint for the 99 complaints giving a total annual saving of $198,000 per year.

The total benefit is therefore $238,000 per year.

See Attachment F for more detail.

2023–32 Total Present Value: $1.6 million
(2023 dollars discounted by 8% over ten years).

Damage reduction

REASON:

VSACT support for victims of crime reduces the recurrence of crimes, particularly in relation to domestic, family and sexual violence (for example by providing safety and security upgrades, and/or assistance to relocate, family violence victims can avoid further instances of property damage and/or assault). Fewer crimes reduce property damage, freeing resources for other use and providing a benefit to society and therefore are included in the CBA.

METHODOLOGY:

The freed resources are valued by the market prices paid for them.

This CBA assumes a reduction of property damage of $1,000 for 10% of the 1,990 victims of crime supported by VSACT giving a benefit of $199,000.

See Attachment F for more detail.

2023–32 Total Present Value: $1.3 million
(2023 dollars discounted by 8% over ten years).

Healthcare savings

REASON:

VSACT support for victims of crime substantially reduce health costs, releasing resources for alternative use. These savings (freed resources) are a benefit to society and therefore are included in the CBA.

METHODOLOGY:

The freed medical resources are valued by the market prices paid for them.

Based on the research literature summarised in Attachment F, this CBA conservatively estimates the health benefits of VSACT support to victims of crime to be on average $2,000 per person assisted per year.

The number of victims of crime avoiding health costs due to VSACT support is conservatively estimated as 10% of the 1,990 victims of crime supported by VSACT giving 199 people. Assuming an average benefit of $2,000 per person gives a total annual saving of $398,000.

See Attachment F for more detail.

2023–32 Total Present Value: $2.7 million
(2023 dollars discounted by 8% over ten years).

Housing savings

REASON:

VSACT support helps victims of crime remain in their own homes, for example, by assisting victims with home security measures and support to access protection orders and other legal interventions. By assisting victims of crime remain in their own homes, VSACT reduces victims use of crisis accommodation. This frees crisis accommodation for other users and can substantially reduce a range of costs derived from inadequate housing. People supported in housing achieve marked reductions in shelter use, hospitalisations, length of stay per hospitalisation, and time incarcerated (Culhane, Metraux, & Hadley, 2002).

These savings are a benefit to society and therefore are included in the CBA.

METHODOLOGY:

VSACT support for victims of crime has freed crisis accommodation resources for alternative users and can be valued by the market prices.

Based on the research literature summarised in Attachment F, this CBA conservatively estimates the benefits of VSACT support for victims of crime to remain in their own homes to be on average $8,000 per person per year (assuming five weeks per person per year). Appropriate housing also has positive impacts on health, education and employment. These are not valued here but are included in the health impacts valued above.

The number of victims of crime avoiding homelessness or crisis accommodation due to VSACT support is very conservatively estimated as 5% of the 1,990 victims of crime supported by VSACT giving a total of 99 victims. Assuming an average benefit of $8,000 per person for 99 victims avoiding homelessness or crisis accommodation gives a total annual saving of $792,000 per year.

See Attachment F for more detail.

2023–32 Total Present Value: $5.3 million
(2023 dollars discounted by 8% over ten years).

Saving unpaid support person's time

REASON:

VSACT assistance to victims of crime and their families reduces the workload of people who provide unpaid care and support with daily activities of living for victims of crime. This frees support people's time for other uses. The support person resources freed by this improvement in efficiency are available for other uses in the ACT economy. These savings are a benefit to society and therefore are included in the CBA.

METHODOLOGY:

The benefits of freeing support peoples time for other activities can be measured as the contribution this makes to productivity, based on average weekly earnings measures (Human Capital Approach). In the CBA literature, this increased time available for other activities is often valued at the minimum wage rate. This provides a minimum (ie conservative) estimate of the value of output (net of other input costs) produced by that person.

This CBA assumes unpaid support people of victims of crime can reduce their care by an average of one hour per week due to VSACT assistance. This is conservatively valued at $22 per hour.

The number of support people for victims of crime assisted by VSACT to reduce their support hours is very conservatively estimated as 20% of the 1,990 people receiving VSACT assistance, giving 398 support people. Assuming an average reduction in a support person's time of one hour per week, for 25 weeks, for each support person, valued using the Human Capital methodology at $22 per hour this gives a total annual saving of $219,000 per year.

See Attachment F for more detail.

2023–32 Total Present Value: $1.5 million
(2023 dollars discounted by 8% over ten years).

Child protection cost savings

REASON:

Family violence, including sexual assault, within homes frequently requires involvement of child, youth and family services. By supporting parents who are victims of family violence, VSACT support for victims of crime results in fewer children entering the child protection system saving substantial resources (Gilbert, et al., 2009). These savings are a benefit to society and therefore are included in the CBA.

METHODOLOGY:

VSACT has freed child protection resources for alternative uses and those uses can be valued by the market prices paid for them.

Based on the research literature summarised in Attachment F, this CBA conservatively estimates the benefits of VSACT support for victims of crime with children on the work of child, youth and family services to be $3,000 per person assisted per year.

The number of children assisted by VSACT is calculated as 1,609 based on information supplied by VSACT (see Attachment E). It is conservatively assumed that 5% of these children would have entered care without VSACT support. Assuming an average benefit of $3,000 per year per person gives a total annual saving of $241,000 per year.

See Attachment F for more detail.

2023–32 Total Present Value: $1.6 million
(2023 dollars discounted by 8% over ten years).

Justice System cost savings

Victim and justice system employee time savings

REASON:

VSACT support to victims of crime helps reduce the substantial resources victims may otherwise use to aid their participation in the justice system. Friends and relations of the participants also use substantial resources to support victims and offenders. These resources include their time and travel costs. VSACT support, including support to report to police, support to arrange and attend meetings with police or prosecution, court support, including court-familiarisation tours, and engagement with police, prosecutors, court staff or corrective services to resolve practical questions or concerns that the victim would otherwise have to address themselves, reduces these costs, freeing resources for alternative uses. These savings are a benefit to society and therefore are included in the CBA.

METHODOLOGY:

VSACT has freed the time of victims for alternative uses and those uses can be valued using the Human Capital Approach.

This CBA assumes that on average VSACT support reduces the interaction of victims of crime with the justice system by an average of 5 hours for the 1,990 victims of crime. Valuing this time at $22 per hour gives a total saving of **$219,000 per year**.

Less interaction with the justice system by victims of crime also saves the time of justice system workers. Taking the five hour saving for the 1,990 victims of crime and valuing at $40 per hour (a conservative estimate of average wages in the justice system) gives a total saving of **$398,000 per year**.

Summing all these justice system time savings gives a **total** of **$617,000 per year**.

See Attachment F for more detail.

2023–32 Total Present Value: $4.2 million
(2023 dollars discounted by 8% over ten years).

Reduced interaction of children with the justice system

REASON:

By supporting and advocating for the rights of children experiencing domestic and family violence and sexual abuse, VSACT reduces participation in the justice system for those children throughout their lives. VSACT support for victims of crime reduces the number of children interacting with the police, courts and prisons as offenders. VSACT has freed justice system resources for their next best use. These savings are a benefit to society and therefore are included in the CBA.

METHODOLOGY:

This CBA values the VSACT support using the reduced future police, court and prison costs.

In this CBA, based on the research literature summarised in Attachment F, **police** resources freed are valued at $500 per case per annum. This value is based on the more conservative of the estimates in Attachment F.

In this CBA, based on the research literature summarised in Attachment F, **court** resources freed are valued at $1,000 per case based on the more conservative of the estimates in Attachment F.

In this CBA, based on the research literature summarised in Attachment F, **prison** resources freed are valued at $400 per day based on the more conservative of the estimates in Attachment F.

Taking the **police** costs of $500 per case, the CBA assumes that 5% of the 1,609 children (80 children) accessing VSACT avoids an interaction with the police saving $500 per interaction giving a total saving of $40,000. It is assumed that this interaction with the police would occur on average six years after the VSACT support. A benefit achieved six years in the future is not as valued as a benefit in the current year therefore the $40,000 is discounted by 8% per year (discount factor of 0.6302) giving a present value of **$25,000** per year.

Taking the **court** costs of $1,000 per case, the CBA assumes that 1% of the 1,609 children (16 children) accessing VSACT avoids an interaction with the courts saving $1,000 per court case giving a total saving of $16,000. It is assumed that this interaction with the courts would occur on average six years after the VSACT support. A benefit achieved six years in the future is not as valued as a benefit in the current year therefore the $16,000 is discounted by 8% per year (discount factor of 0.6302) giving a present value of **$10,000** per year.

Taking the **prison** costs of $400 per day, the CBA assumes that 0.5% of the 1,609 children (8 children) accessing VSACT avoids imprisonment saving $400 per day for 30 days giving a total saving of $96,000. It is assumed that this interaction with the prison system would occur on average six years after the VSACT support. A benefit achieved six years in the future is not as valued as a benefit in the current year therefore the $96,000 is discounted by 8% per year (discount factor of 0.6302) giving a present value of **$61,000** per year.

Summing all these justice system cost savings gives a **total** of **$96,000** per year.

See Attachment F for more detail.

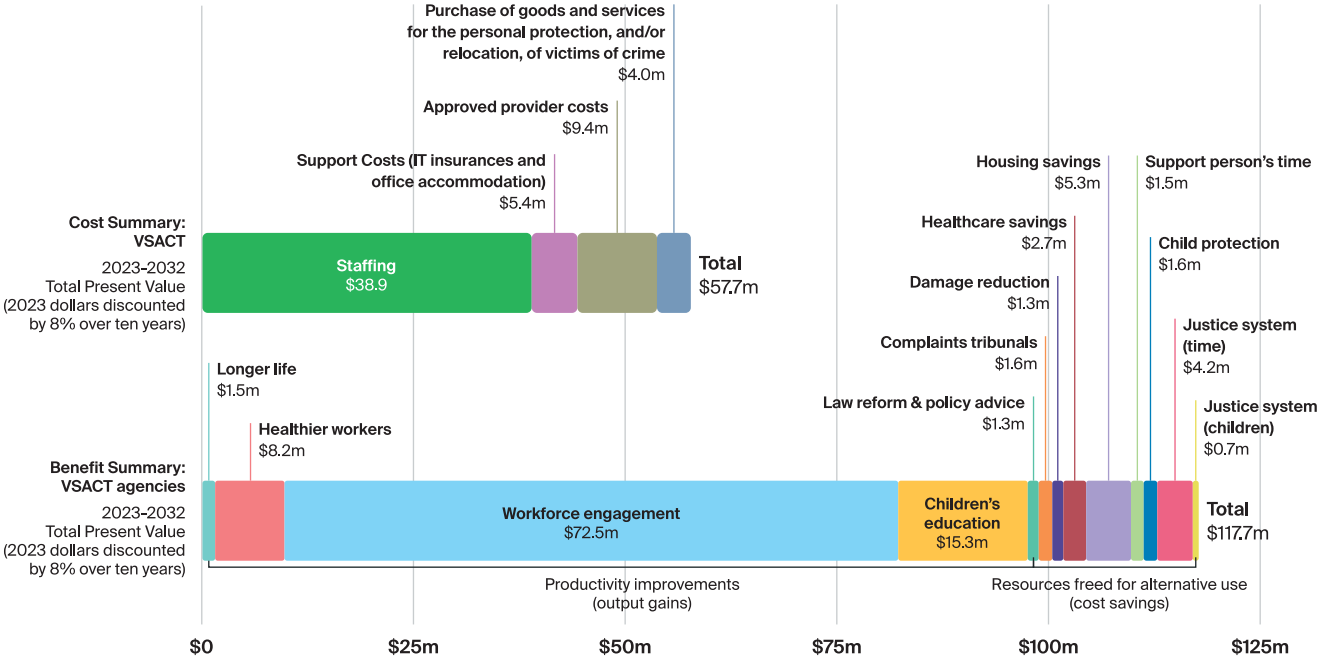
2023–32 Total Present Value: $0.7 million
(2023 dollars discounted by 8% over ten years).

Summarising the costs and benefits

The following graph shows the costs and benefits associated with VSACT.

They are shown as an estimate from 2023 to 2032, valued in 2023 dollars and discounted by 8%.

Figure 6: Summarising the costs and benefits



Case Study: The ACT Court Canine Support Program

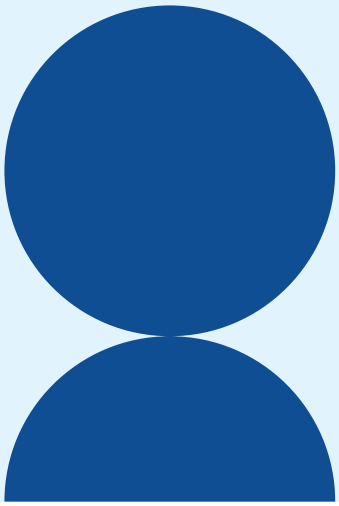
In 2018, the Canberra Times ran an editorial about the New South Wales Canine Court Companion Program, where trained dogs and their handlers attend nominated courthouses to support victims of crime and ease the stress of attending court.

An independent evaluation had found the dogs improved the court experience for victims and their families, as well as for court staff. The editorial highlighted that the NSW Attorney General was encouraging other states and territories to develop their own court assistance dog programs. The Canberra Times noted it had approached the ACT Justice and Community Service Directorate who had stated they were not planning to introduce any such program in the ACT.

A person, who had been working on a research project in the ACT Magistrates Court, which involved long periods of waiting in the courts' public waiting areas read the editorial and was convinced that a court assistance dog program was needed, and would be hugely beneficial. They approached the ACT Victim of Crime Commissioner, as a member of the public, to seek support for initiating a court assistance dog program in the ACT Courts. The Commissioner agreed to support the initiative and sought a meeting with the Chief Magistrate, the Human Rights Commissioner and the person advocating for the program. This meeting culminated in the agreement to pilot the program in the ACT Magistrates Courts.

The program has now been operating for six years, with Guide Dogs NSW/ACT providing the trained assistance dogs and volunteer handlers. Initially the Courts agreed to a pilot with one dog who would attend only the Children's Court. However the impact of Quota, the first Court Assistance Dog, led to the program having two dogs and their handlers who work across the Children's Court, the Remote Witness Unit, as well as walking through the courthouse pausing to spend time with anyone who may feel anxious or need comfort. The Canine Support Program also receives special requests from police or court professionals to assist with people who are especially anxious, or who might benefit from spending time with one of the dogs.

Studies from the United States have shown that witnesses who interact with the court assistance dogs experience reduced stress levels and this leads to better evidence which benefits the whole system. Without the support of the ACT Victim of Crimes Commissioner it is very unlikely the ACT Court Canine Support Program would have been established.



Discounting (aggregating over time)

Without the immediate needs payments I do not know how I would have managed. There is a lot to do emotionally, however practical things like paying another bond, first weeks of rent, removal fees, paying my last bills from the ACT and continuing to pay my normal bills and expenses were going to be a huge barrier. I can't stress enough how supported and helped I have felt by you. It has literally helped save my life, and given me the ability to slowly get back on track with everything I need, want, and aspire to do.

Client supported through Victims of Crime Financial Assistance Scheme

The social discount rate measures society's valuation of today's wellbeing relative to wellbeing in the future (Zhuang, Liang, Lin, & De Guzman, 2007). The costs and benefits, identified and valued above, accrue over the ten-year period 2023 to 2032. To make comparisons with other interventions, the future values need to be expressed in present day values. Discount rates measure present day values by recognising that people value current consumption more highly than the same future consumption. People are, to a degree, impatient.

Discounting future values back to present values requires information about society's rate of time preference. This is the amount of future consumption they require to induce them to give up current consumption. This is revealed in the capital market, where interest payments are the reward for giving up current consumption in return for greater future consumption (capital repayment plus interest).

Over the past two decades, economic changes have driven a falling discount rate. Due to falling economic growth rates and with nearly all that income growth accruing to the wealthiest, most Australians can expect to have minimally improved or even falling living standards in the future. As future incomes are likely to be stagnant or slow growing (for most Australians), the value of future consumption will rise. Constrained future incomes lowers the value of current consumption compared to future (constrained) consumption. This lowers the social rate of discount.

Since the Global Financial Crisis in 2007, interest rates in most markets have fallen to levels close to the inflation rate and therefore discount rates measuring Australian willingness to forego current consumption have fallen sharply. Despite the recent increases in nominal interest rates, real interest rates have fallen due to rising inflation. This implies that the social discount rate has fallen and as a society we have become less impatient.

Government recommendations for use of discount rates in CBA have been falling even before the 2007 global financial crisis: in the UK from 10% in 1969 to 6% in 1999 and further to 3.5% in 2003 where it

remains; in Germany from 4% in 1999 to 3% in 2004; in France from 8% in 1999 to 4% in 2005; and in Norway from 7% in 1978 to 3.5% in 1998 (Zhuang, Liang, Lin, & De Guzman, 2007, p. 19).

Some authorities vary discount rates according to the type of project. The United States Office of Management and Budget (2003) uses a 7% rate where the project/program would displace private investment, 3% for social projects/programs and 1% where the impacts are intergenerational[7].

Interest rates include a reward for risk taking and inflation. Some CBAs use high discount rates to account for risk. This is easy but not very appropriate. A better solution is to address relevant risk specifically for each project through various risk analysis methods, such as sensitivity analysis (Hagen, et al., 2012). Risk is not relevant to the discount rate used to evaluate VSACT because it is part of government's broad investment portfolio where risk in any single program is cancelled out across the other programs. Instead, risk is addressed in the sensitivity analysis given below. Inflation is removed from the interest rate because all values used in this CBA are in real terms.

Risk is excluded by using a Commonwealth Government interest rate. The 10 year bond is used because this fits this CBA's 10-year time frame. Inflation is removed by subtracting the inflation rate from the interest rate.

In February 2024, the Commonwealth ten-year Treasury Bond interest rate was 4.3% pa (RBA Statistical Tables). Inflation measured by the average CPI for the 12 months to December 2023 was 4.0% pa (RBA Statistical Tables). Taking the inflation rate away from the interest rate gives the real rate of interest and discount rate of 0.3% pa. Clearly, this is an unrealistic discount rate. As inflation is likely to fall in subsequent months (the CPI was only 1.0% pa two years previously) the discount rate is expected to rise. In contrast, the inflation adjusted Commonwealth Government Indexed Bond interest rate was much higher at a positive 1.7% pa (RBA Statistical Tables). Therefore, the Australian capital markets are indicating that the social rate of time preference was less than 2% in February 2024. Based on this capital market information this CBA should use the conservative discount rate of 2% as its base case.

However, the choice of discount rate is not simply an economic one. Sometimes, governments recommend the use of a discount rate higher than 2%. In Australia, the usual government recommended rate is 5% and can be as high as 10% (Harrison, 2010). The government needs to consider equity and social welfare as well as efficiency in deciding what to invest in, therefore it might choose to select investments using a lower discount rate. This is particularly true when there are inter-generational benefits.

VSACT advised the report authors that feedback from other ACT Government stakeholders had noted that the Australian Government Office of Impact Analysis (OIA) recommends use of a real discount rate of 8%. Accordingly, the report was revised using an 8% discount rate for the base case.[8]

This approach is typically based on the argument that government investment and commercial investment should be treated as equivalent. Using the 8% discount rate implicitly assumes the risk of bankruptcy built into commercial interest rates should apply to the government. This suggests governments treat their constituents as consumers rather than citizens. The 8% discount rate assumes the decision to build a new Woolworth store or a public school are equivalent. If this rule were applied to all government investment decisions it would result in too few schools and more uneducated children.

The report authors note that ACT Government's own most recently released cost benefit analysis, at the time of writing, which is of the ACT Drug and Alcohol Sentencing List, and was undertaken on behalf of the government by KPMG, uses a 4% discount rate for the base case (KPMG. 2024).

The OIA details that if the choice of discount rate changes the net present value from a net benefit to a net cost (or vice versa), the sensitivity analysis has revealed that the choice of discount rate is important. The OIA also notes that this information should be highlighted in the summary of the CBA, as it is an important caveat for the analysis.[9] Whilst the 8% rate for the base case is used in this report, the 2% discount rate is noted as the more appropriate discount rate based on economic fundamentals (government interest rate and inflation rate) and is presented as part of the sensitivity analysis provided below. The sensitivity analysis outlines that, irrespective of the choice of discount rate, the benefit cost ratio remains strongly positive.

Aggregating cost and benefits

The thing I really like about this program is that it creates that visibility of him. I have felt like I am entirely on show, but he is hidden away in the shadows. This has had a huge impact on me and my safety, because he knows every step I'm making but I know nothing about what he's doing. This program actually makes me feel like that is changing.

First Nations Client supported by VSACT Family Violence Safety Action Program

The table below applies the 8% discount rate (using each year's discount factor) to the values estimated above for VSACT. The yearly costs and benefits are given in 2023 dollars. Totals are aggregated as present values to calculate Net Present Value (NPV) and Benefit to Cost ratios (B/C).

Table 4: Economic Costs & Benefits: VSACT

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total	Total @ 8%
Costs												
VSACT	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	86,000	**57,706**
Total Costs	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	86,000	**57,706**
discounted @ 8%	**7,963**	**7,373**	**6,827**	**6,321**	**5,853**	**5,420**	**5,018**	**4,647**	**4,302**	**3,984**	**57,706**	**57,706**
Benefits												
Increased output												
Longer life	196	196	196	196	392	196	196	196	196	392	3,352	**1,539**
Healthier workers	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	12,270	**8,233**
Workforce engagement	10,796	10,796	10,796	10,796	10,796	10,796	10,796	10,796	10,796	10,796	107,960	**72,441**
Childrens' education	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	2,283	22,830	**15,319**
Law reform & policy advice	200	200	200	200	200	200	200	200	200	200	2,000	**1,342**
Cost savings												
Complaints savings	238	238	238	238	238	238	238	238	238	238	2,380	**1,597**
Damage reduction	199	199	199	199	199	199	199	199	199	199	1990	**1,335**
Healthcare savings	398	398	398	398	398	398	398	398	398	398	3,980	**2,671**
Housing savings	792	792	792	792	792	792	792	792	792	792	7,920	**5,314**
Support persons' time	219	219	219	219	219	219	219	219	219	219	2,190	**1,469**
Child protection savings	241	241	241	241	241	241	241	241	241	241	2,410	**1,335**
Justice system time savings	617	617	617	617	617	617	617	617	617	617	6,170	**4,140**
Justice system children savings	96	96	96	96	96	96	96	96	96	96	960	**644**
Total Benefits	17,502	17,502	17,502	17,502	17,698	17,502	17,502	17,502	17,502	17,689	175,412	**117,663**
discounted @ 8%	**16,205**	**15,004**	**13,893**	**12,893**	**12,045**	**11,030**	**10,212**	**9,456**	**8,755**	**8,198**	**117,663**	**117,663**
Benefits-Costs												
undiscounted	8,902	8,902	8,902	8,902	9.098	8,902	8,902	8,902	8,902	9.098	89,412	**59,957**
discounted @ 8%	**8,242**	**7,632**	**7,066**	**6,543**	**6,192**	**5,610**	**5,194**	**4,810**	**4,453**	**4,214**	**59,957**	**59,957**
Discount factor @ 8%	0.926	0.857	0.794	0.735	0.681	0.630	0.584	0.540	0.5.000	0.463		
NPV @ 8%	59,957											
IRR	na											
B/C ratio	2.0											

Decision criteria

You have made a stressful situation a lot easier.

Client supported through ACT Victims Register

Cost Benefit Analysis values the impacts (costs and benefits) of VSACT support for victims of crime in economic terms (i.e. impact on society's wellbeing). These values are aggregated using the discount rate embodying society's trade-off between current and future consumption. In this case, the report uses a 8% discount rate. The discounted impacts are then compared using decision criteria.

The findings from a CBA are commonly expressed in three decision criteria:

- The **benefit cost ratio** takes the present value of total benefits and divides this by the present value of total costs. The ratio is useful for comparing the efficiency of programs across different program scales. A ratio greater than 1 demonstrates that there is a net economic benefit to society from the program. Using the VSACT estimates from the table above: the Present Value (PV) of total benefits divided by the PV of total costs is $117,663,000/$57,706000. This gives a cost benefit ratio of 2.0 to 1.

A recent OECD publication stated "A ratio below 1 is considered poor, a ratio between 1 and 1½ low, a ratio between 1½ and 2 medium and a ratio above 2 high" (Persson & Song, 2010, p. 33). For comparison the World Bank estimates benefit cost ratios for Indonesian urban sanitation programs at 1.1 to 2.4 (World Bank, 2011, p. 4), the Productivity Commission estimates the benefit cost ratio of smart electrical meters at 2.7 (Productivity Commission, 2013, p. 27), the South Australian Centre for Economic Studies estimates a benefit cost ratio of Opal fuel at 3.7 (South Australian Centre for Economic Studies, 2010, p. 95), Daly and Barrett (2014) estimated a cost benefit ratio in mediation program in Yuendumu at 4.3 and Infrastructure Australia estimates a benefit cost ratio for the Winchelsea to Colac Road Duplication at only 0.08 (Infrastructure Australia, 2021).

By comparison, the ACT Auditor General has noted that the ACT Tram has a benefit cost ratio of 1.2:1. They also note this ratio was calculated by Major Projects Canberra independently of EY as its economic advisor, using a 'blended indicative Benefit Cost Ratio', which added together the previously estimated BCR for Stage 1 of the tram with the projected BCR estimate for Stage 2; with each estimate being less than 1 when considered separately.The ACT Auditor General notes that Douglas Economics advised that the 'blended BCR is novel; no example of blending the result of a past investment with a future investment is known.' (ACT Auditor-General. 2021).

The ACT Government/KPMG CBA of the Drug and Alcohol Sentencing List found a BCR of 0.87:1

In comparison with these estimates, the VSACT ratio of 2.0:1 is clearly a highly positive ratio.

- The **Internal Rate of Return** (IRR) is the discount rate where the present value of costs and benefits are equal. IRR cannot be measured for VSACT due to distribution of costs over time. IRR requires a pattern of negative then positive net benefits over the life of the intervention. For this CBA net benefits are always positive.
- The **Net Present Value** (NPV) is the amount by which the present value of benefits exceeds the present value of costs. It measures the scale of the net benefit.

For VSACT the NPV is $97,957,000 in 2023 dollars.

Table 5: Net Present Value

Decision Criteria	Results
Total costs PV	$77,331,000
Total benefits PV	$272,635 ,000
Benefit Cost Ratio	3.5:1
NPV	$195,304,000

All the calculated decision criteria indicate that VSACT is worth supporting on economic (efficiency of resource use) grounds. The criteria show that VSACT provides the ACT with a very high return on its modest costs.

Sensitivity analysis

VSACT outcomes may be sensitive to changing conditions. These could include potential variability in factors for which assumptions have been made. However, if the NPV is still positive with more conservative assumptions the results can be considered robust.

The assumptions made in this CBA were deliberately pessimistic about the benefits of the program but to test the robustness of our conclusions we assume an unrealistically large 25% reduction in our estimated benefits and an 8% discount rate. Even in this extremely pessimistic case both decision criteria (shown below) indicate that the program provides exceptional worth in economic (efficiency of resource use) terms. This result shows that this CBA's endorsement of VSACT is not sensitive to the assumptions regarding VSACT benefits.

Table 6: Net Present Value – assuming a 25% reduction in benefits

Decision Criteria	Results
Total costs PV	$77,331,000
Total benefits PV	$136,318,000
Benefit Cost Ratio	1.8:1
NPV	$58,986,000

The choice of a discount rate may have a large impact on the decision criteria. The discount rate of 8% may mean that the base case discount rate is higher than the actual social rate of time preference. The discount rate based on economic fundamentals (government bond and inflation rates) is 2%. As can be seen below, lowering the discount rate by four times reinforces the conclusion that the VSACT has a positive impact on economic welfare. This result shows that this CBA's endorsement of VSACT is not sensitive to the choice of discount rate.

Table 7: Net Present Value – assuming a 2% discount rate

Decision Criteria	Results
Total costs PV	$52,838,000
Total benefits PV	$186,228,000
Benefit Cost Ratio	3.5:1
NPV	$133,390,000

The estimates above do not include the pain and suffering impact of crimes. The sensitivity analysis presented below uses Contingent Valuation techniques to value pain and suffering (see Attachment G) and assumes a 20% reduction in the pain and suffering due to VSACT intervention and uses a 2% discount rate. This gives a value of pain and suffering reduced by VSACT of $429,278,000 over the ten years. Contingent Valuation is a survey-based technique used to value intangible impacts of specific types of crime.

Using estimates from the research literature summarised in Attachment G, the decision criteria are recalculated in the table below. As can be seen below, the costs are unchanged but the benefits of reduced pain and suffering when added to the base case (production increases and costs savings) substantially increases the total benefits, NPV and benefit cost ratio. This result shows that this CBA's endorsement of VSACT is not sensitive to the choice of valuation technique.

Table 8: Net Present Value – assuming a 20% reduction in pain and suffering of victims of crime due to VSACT interventions

Decision Criteria	Results
Total costs PV	$77,331,000
Total benefits PV	$701,349,000
Benefit Cost Ratio	9.1
NPV	$624,018,000

The purpose of sensitivity analysis in this case is not to compare alternative intervention scenarios for selection of the best intervention design. Here we are using sensitivity analysis to test the robustness of our conclusions regarding the economic value of VSACT. As VSACT can absorb a 25% reduction in the already conservative estimates of benefits, the conclusion that it is a worthwhile program is strong. The sensitivity analysis shows that the estimates are very robust as is the conclusion that VSACT provides a substantial net benefit to Canberra.

Distribution

Information about winners and losers from an intervention is crucial for decision-makers. CBA decision criteria, including NPV and B/C Ratio, cannot tell anything about the distribution of costs and benefits.

The VSACT does not have a distributional impact which would negate substantial economic benefits from VSACT. VSACT support comes from taxpayers who are on average better off than the recipients of this support. Transfer payments from taxpayers to FAS clients reduce taxpayers consumption and this is balanced by an increase in FAS client consumption.

Over the ten years to 2031–32 using an 8% discount rate, taxpayers cover most of the $58 million (discounted to 2023 value) cost of the VSACT but they gain around $19 million (discounted to 2023 value) in government cost savings. The net loss to government of $39 million over the ten years (discounted to 2023 value) is the cost of the ethical imperative to support victims of crime in Canberra. This contribution by taxpayers results in a much larger $98 million (discounted to 2023 value) benefit to victims of crime and their families. Therefore, distribution is not a substantial issue in this CBA.

Conclusion

This CBA determines that VSACT delivers substantial economic benefits far exceeding the costs. The NPV of $60 million and B/C Ratio of 2.0:1 for the ten years ending 2032 are very high returns to the ACT's modest investment in VSACT.

The VSACT does not have distributional impacts which would negate substantial economic benefits from VSACT.

This CBA provides a strong support for continued investment in VSACT. All the calculated decision criteria indicate that the program is worth supporting on economic (efficiency of resource use) grounds. More efficient resource use allows improvements in society's wellbeing.

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Attachments

Attachment A - Scope of Services

The objectives of this cost benefit analysis are to: with reference to the objects of the VOCFA Act, VOC Act and VOC Regulation, estimate the cost benefit of VSACT's current services including:

- Financial assistance, delivered under the *Victims of Crime Financial Assistance Act 2016* (VOCFA Act);
- Case coordination, including information provision, advocacy, access to approved therapeutic service providers, court support and referrals under the *Victims of Crime Act* 1994 (VOC Act) and the Victims of Crime Regulation 2000 (VOC Regulation).;
- Therapeutic support with approved providers;
- The collaborative support provided by the Family Violence Safety Action Program;
- Administration of the Victims' Registers and support and advocacy for registered victims; and
- Policy and law reform advice provided to Government by VSACT to improve the justice system and the experience of victims.

Attachment B - Glossary

Term	Definition
Benefit transfer	A practice used to estimate economic values for use in Cost Benefit Analysis by transferring information available from studies already completed in one location or context to another.
Crime	Any act lawfully punishable by the state.
Cost-benefit analysis (CBA)	A method to evaluate the net economic impact of a project. Expected benefits are estimated, and monetised and offset against project costs. The approach is used to inform decisions to invest in major infrastructure projects, in both developed and developing countries.
Cost-effectiveness analysis (CEA)	This method is used where monetising outcomes is not possible or appropriate, most commonly in health. Common measures include quality adjusted life years. Organisations that use it include the World Health Organisation, which has developed a series of tools and software to aid analysis.
Contingent valuation	A survey-based economic technique for the valuation of non-market resources,
Economy	Minimising the cost of resources used for an activity, while having regard to appropriate quality.
Efficiency	An efficient activity maximises output for a given input, or minimises input for a given output and, in so doing, pays due regard to appropriate quality.
Effectiveness	Successfully achieving the intended outcomes from an activity.
Human capital approach	Values the economic productivity of human life as the present value of expected future earnings.
Merit goods and services	Create positive externalities when consumed and these 3rd party spill over (externality) benefits can have a significant effect on social welfare. Market failure occurs when merit goods and services are under-consumed under free market conditions.
Social return on investment analysis (SROI)	A method that quantifies project outcomes and impacts, usually in monetary terms. It measures value from the bottom up by including the perspectives of different stakeholders.
Replacement Cost	Valuing a non-market cost or benefit by an equivalent in a market.

Attachment C - Time line

2023	The Family Violence Safety Action Pilot becomes a program at VSACT
2023	Administration of the Victims' Register for adult offenders transfers to VSACT
2021	Evaluation of the first six months of the Family Violence Safety Action Pilot
2021	ACT Government receives Projects Assisting Victims' Experience and Recovery (PAVER) review.
2021	The ACT Charter of Rights for Victims of Crime commences, as part of the Victims of Crime Act 2024.
2021	Amendments to the Human Rights Act 2004 provide victims of crime the right to complain to the Commission about a justice agency breaching their victims' rights.
2021	Family Violence Safety Action Pilot commenced (FVSAP).
2020	ACT's first intermediary program commences.
2018	National Redress Scheme (NRS) for people who experienced institutional child sexual abuse.
2016	New administrative Victims of Crime Financial Assistance Scheme commences in accordance with the *Victims of Crime (Financial Assistance) Act 2016*, administered by VSACT – providing improved access to financial assistance for Victims of Crime in the ACT).
2016	Victims of Crime Commissioner (VOCC) and VSACT join the ACT Human Rights Commission.
2016	The Domestic Violence Prevention Council delivered the Findings of the first *Review of Family and Domestic Violence Deaths in the ACT*.
2016	ACT Government published the Report of the Inquiry: *Review into the system level responses to family violence in the ACT* (also known as the Glanfield Report).
2011	*The Victims of Crime Act 1994* (ACT) amended, establishing the VOCC.
2008	Safe & Together Model developed by David Mandel in the United States.
2000	Victims of Crime Regulation 2000 establishes a volunteer program to support victims of crime.
1998	ACT establishes Family Violence Intervention Program, including family violence case tracking to support the safety of victims whose matters are progressing through the criminal justice system.
1997	Response Based Practice (shifts from victim to social environment) developed by Allan Wade.
1994	The ACT Government appoints its first Victims of Crime Coordinator.
1990s	Restorative Justice concept promoted in Australia.
1989	Australia participates in the International Crime Victimisation Survey (ICVS).
1988	Non-government Domestic Violence Crisis Service established in ACT.
1988	ACT NGO, Victims of Crime Assistance League established.
1986	UN Declaration of Basic Principles of Justice for Victims of Crime and Abuse of Power.
1986	Domestic Violence Agencies Act 1986 (ACT).
1986	Self-government begins in the ACT.
1985	SA parliament passes Australia's first Victim's Bill of Rights.
1984	US Victims of Crime Act funds services for victims.
1983	ACT is final Australian jurisdiction to legislate compensation for victims of crime.
1982	SA Justices Act amended to allow a person to obtain a restraint order.

1982	First Australian National Symposium on Victimology.
1981	Domestic Abuse Intervention Programs began in Duluth, Minnesota “The Duluth Model”.
1979	First Australia victims of crime NGO, Victims of Crime Service, established in Adelaide.
1975	First ABS survey of victims of crime.
1975	National Organization for Victim Assistance established in US.
1972	US National Crime Victimization Survey begins.
1970s	Women’s movement focussed attention on domestic violence and sexual assault.
1967	First Australian financial assistance scheme for victims of crime introduced in NSW.
1966	First criminal victimisation survey was conducted in in the United States.
1965	First US victim’s rights legislation.
1964	UK legislates for compensation for victims of crime.
1963	New Zealand is the first country to enact compensation legislation.
1951	Margery Fry, an English magistrate, proposes offenders pay compensation to victims.
1940s	Victimology concept fostered.
1800s	Goals of the criminal justice system changed from restitution to deterrence and punishment.
1700s	State assumes a more prominent position in judicial proceedings with the victim being reduced to the role of a mere witness.
1750BC	Babylonian Code of Hammurabi instructs victims to be made whole.

Attachment D - VSACT intervention logic: Victims of crime and access to social capital

Crime causes major problems to thousands of people in the ACT community each year. Many of the problems faced by victims of crime come from society's reaction. VSACT is focused on improving how society treats victims of crime both at the level of individuals and society.

VSACT provides assistance to victims of crime to promote their recovery from the harm suffered, and allow victims to take part in the social, economic and cultural life of their community. Victims of crime face multiple economic and social challenges that impact their capacity to live healthy, fulfilling lives and enjoy the full range of their human rights (Burt & Katz, 1985). For example, (Macmillan, 2000) finds that educational attainment and lifetime earnings are lower for victims of childhood physical or sexual assault.

The VSACT intervention logic is displayed in the **Program Logic Snapshot** shown on page 90.

The Program Logic (causality) of VSACT links the *inputs* used by VSACT in its activities to VSACT services to victims of crime (VSACT's *output*). These services (information and advocacy, counselling, financial assistance and court support) result in outcomes (purposes) of improved wellbeing of victims, resources savings for victims and governments, more productive employment for victims, their families and supporters. These outcomes (purposes) will improve the ACT community's wellbeing. This Program Logic (causality) is underpinned by extensive research into the individual and social impact of the type of services provided by VSACT.

VSACT provides a cost-effective solution because it encourages both prevention and innovation. When victim support is offered at an early stage, it can reduce the likelihood of more costly situations arising or escalating. VSACT reduces expensive crisis responses.

VSACT provides individualised supports based on a collaborative assessment of client needs. Many clients get support at a time of crisis when they remain at risk of experiencing further violence by the person who perpetrated violence, preventing further victimisation, by improving the safety of the victim. Longer-term wellbeing of clients is supported through information, advocacy and counselling. VSACT is cost-effective because it tailors services to individuals, avoiding 'one size fits all' solutions which fail to address the individual's most pressing concerns. People who access VSACT move from being 'service users' to being informed decision-makers, exercising their rights to dignity and choice. In principle, this empowering service model seeks to redress the effects of crime, which so often strips individuals of choice and control.

Advocacy and empowerment of victim choice and control elevates their voices in decisions made by the justice system that impact them. The Charter of Victims Rights provides opportunities for victims to have their voice heard and considered in decisions made by justice agencies, for example:

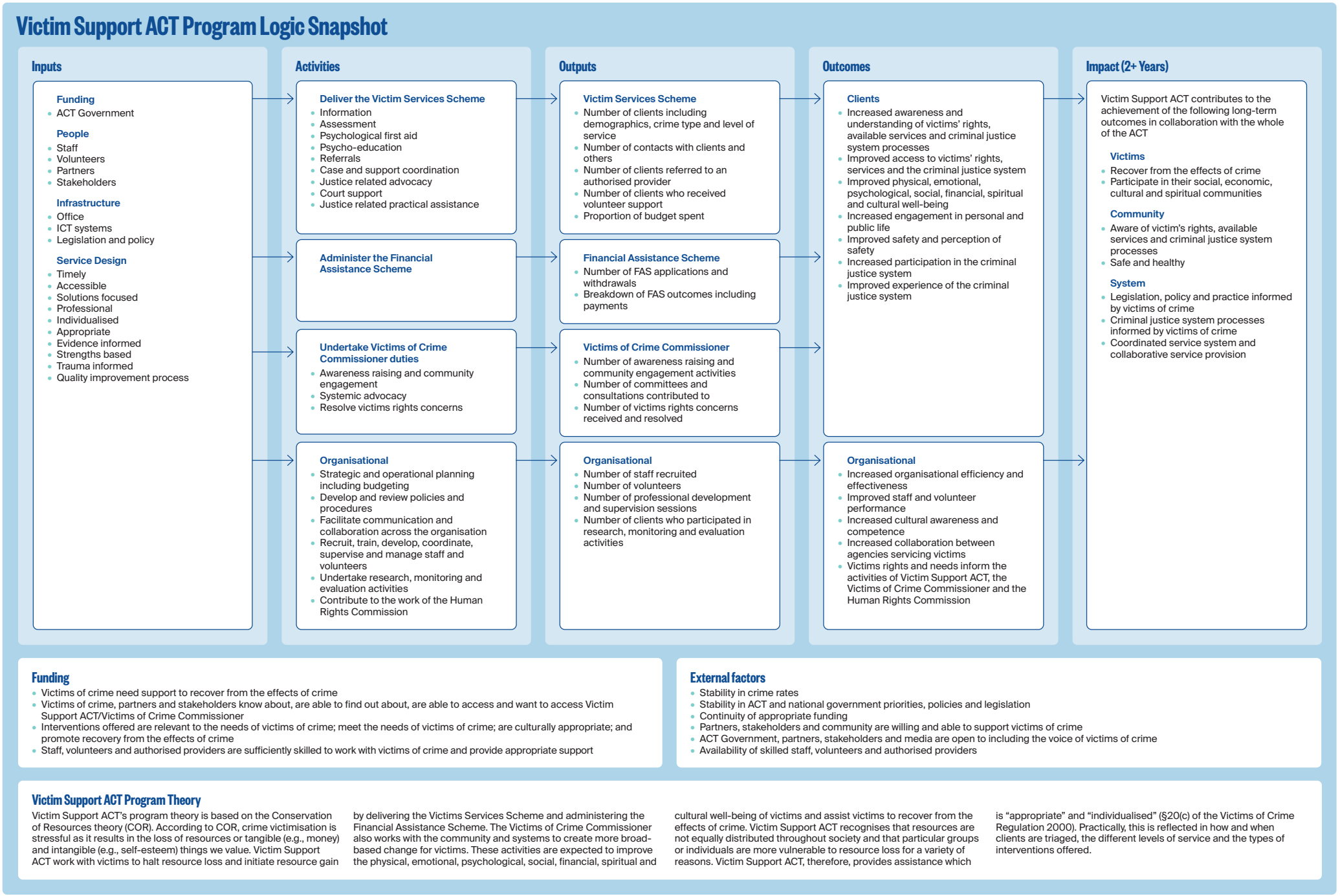
- certain decisions made by the DPP in relation to dealing with charges
- court decisions in relation to bail where there are safety concerns
- court decisions in relation to sentencing (including consultation with victims in relation to pre-sentence reports and provision of victim impact statements), and
- sentence Administration Board and ACT Corrective Services decisions in relation to the management of the offender's sentences.

VSACT informs victims of their participation rights in the justice system and assists them to access these rights and to have their voice heard in decisions that impact them.

The benefits of meaningful victim participation in the justice system include:

- a shared acknowledgement of the central role of victims in the criminal justice process;
- better decisions and improved safety, for example the victim impact statement (VIS) provides a useful aid to the sentencing court, especially in circumstances where an offender has pleaded guilty and the court has not had an opportunity to hear the complainants evidence; and
- reducing the alienation that a victim may feel in the justice system – without some input, the victim has no real role in the formal process except being a witness.

Victim Support ACT Program Logic Snapshot



Funding

- Victims of crime need support to recover from the effects of crime
- Victims of crime, partners and stakeholders know about, are able to find out about, are able to access and want to access Victim Support ACT/Victims of Crime Commissioner
- Interventions offered are relevant to the needs of victims of crime; meet the needs of victims of crime; are culturally appropriate; and promote recovery from the effects of crime
- Staff, volunteers and authorised providers are sufficiently skilled to work with victims of crime and provide appropriate support

External factors

- Stability in crime rates
- Stability in ACT and national government priorities, policies and legislation
- Continuity of appropriate funding
- Partners, stakeholders and community are willing and able to support victims of crime
- ACT Government, partners, stakeholders and media are open to including the voice of victims of crime
- Availability of skilled staff, volunteers and authorised providers

Victim Support ACT Program Theory

Victim Support ACT's program theory is based on the Conservation of Resources theory (COR). According to COR, crime victimisation is stressful as it results in the loss of resources or tangible (e.g., money) and intangible (e.g., self-esteem) things we value. Victim Support ACT work with victims to halt resource loss and initiate resource gain by delivering the Victims Services Scheme and administering the Financial Assistance Scheme. The Victims of Crime Commissioner also works with the community and systems to create more broad-based change for victims. These activities are expected to improve the physical, emotional, psychological, social, financial, spiritual and cultural well-being of victims and assist victims to recover from the effects of crime. Victim Support ACT recognises that resources are not equally distributed throughout society and that particular groups or individuals are more vulnerable to resource loss for a variety of reasons. Victim Support ACT, therefore, provides assistance which is "appropriate" and "individualised" (§20(c) of the Victims of Crime Regulation 2000). Practically, this is reflected in how and when clients are triaged, the different levels of service and the types of interventions offered.

Source: VSACT

Crime can prompt victims to become disconnected from their social networks because they are reluctant to involve people they know out of shame or embarrassment. In the context of family violence, victims may be forced to narrow their circle of friends and family, who later may be at risk of being harassed by the perpetrator and in turn become secondary victims (Logan, 2010). Indeed, in the case of family violence or other crimes threatening the ongoing safety of victims, victimisation impairs victims ability to form relationships and contributes to increased vulnerability and social isolation. Negative impacts include changing phone numbers, avoiding certain places, taking security measures, quitting jobs, moving to a new house, property damage, medical bills, and legal fees, and lost wages (resulting either directly from missed work and on-the-job harassment or indirectly from lost productivity and performance interference) (Baum, Catalano, & Rand, 2009), and (Mullen, Pathe, & Purcell, 2009).

Therapeutic support made available by VSACT assists victims to maintain or rebuild their social networks. These networks are valuable social capital: assets that make the economy work (Coleman, 1988), (Putnam, 1993), (Fukuyama, 2001), and (Portes, 2000). Research finds that individuals with strong social networks are more likely to be 'housed, healthy, hired and happy' (Woolcock, 2001, p. 12). For example, social epidemiology has identified significant connections between levels of social capital and community health status (Brough, Henderson, Foster, & Douglas, 2007). These positive economic outcomes for well-connected individuals extend to the broader community, for example reductions in transaction costs and the generation of positive externalities such as norm fostering, information flows and social trust, allow society to function. Victim's retaining their social networks are much more likely to retain these substantial benefits.

Attachment E - The operation of VSACT

VSACT is the ACT Government's 'one stop shop' for victims of crime, providing support, justice advocacy and financial assistance. These services aim to restore victims' rights to recognition, dignity and choice, and promote recovery, in the aftermath of the disempowering and harmful impacts of crime. VSACT's justice advocacy aims to ensure victims who choose to report to police, or are called to give evidence, are empowered by participating in justice processes where they may make informed decisions, have clear rights to participation and consultation, and can receive individualised support (Dinisman & Moroz, 2017).

The Victims of Crime Commissioner is an independent statutory advocate for victims of crime and oversees VSACT's operational services. As an advocate the VOCC has statutory functions to:

- advocate for the interests of victims;
- advocate for the interests of affected people under the *Mental Health Act* 2015;
- consult on and promote reforms to meet the interests of victims;
- advise the Minister on matters relating to the interests of victims;
- monitor and promote compliance with victims rights;
- ensure victims rights concerns are dealt with promptly and effectively, and promote the prompt and effective resolution of complaints about victims rights made to relevant complaints entities;
- develop educational and other programs to promote awareness of the interests of victims;
- ensure that victims receive information and assistance they need in connection with their involvement in the administration of justice; and
- encourage and facilitate cooperation between agencies involved in the administration of justice with respect to victims.

As head of VSACT's operational services, the VOCC has statutory functions to manage the victims services scheme, the financial assistance scheme and any other program for the benefit of victims, and to ensure the provision of efficient and effective services for victims. The VOCC oversees several programs for the benefit of victims.

VSACT aims to ensure victims of crime can:

- exercise their rights to dignity and choice in accessing services to support their safety and recovery from crime-related harm,
- take part in the social, economic and cultural life of the community, and
- be heard in the justice system, including respect for their rights under the *Human Rights Act* 2004 and the Charter of Rights for Victims of Crime in part 3A of the VoC Act

Individuals who engage with VSACT are treated in accordance with the *Human Rights Act* 2004 and the *Victims of Crime Act* 1994. The Victims of Crime Commissioner (VOCC) functions are set out in legislation, including the *Victims of Crime Act* 1994, the *Victims of Crime (Financial Assistance) Act* 2016 and the Victims of Crime Regulation 2000.

At present, over half of VSACT's work occurs in response to domestic, family and sexual violence. VSACT works closely with community organisations, including the Women's Legal Centre ACT, Domestic Violence Crisis Service and Canberra Rape Crisis Centre, which provide specialist responses for victims of domestic, family and sexual violence. This collaboration, including leading the Family Violence Safety Action Program, participating in case tracking meetings and warm referral processes, ensures clients receive a wholistic and best practice service response and is an example of multi-agency approaches to improving victim safety and preventing and reducing domestic, family and sexual violence.

Case Coordinators in the **Client Services Team** (CST) deliver the Victims Services Scheme (VSS) in accordance with the Victims of Crime Regulation 2000. Case coordinators provide multi-disciplinary trauma informed support for victims that engage with VSACT services, that aims to be:

- timely,
- accessible,
- solution focused,
- professional,
- collaborative,
- safe and transparent, and
- person-centred and tailored to a victim's expressed needs.

VSACT case coordinators work with clients to navigate the criminal justice system and uphold their rights under the Charter of Rights for Victims of Crime. Case coordinators assist clients to access appropriate VSACT services such as the Financial Assistance Scheme and Victims Register and improve access for vulnerable groups with support from the Multicultural Liaison Officer, the Aboriginal and Torres Strait Islander program and the Disability Justice Liaison officer. They also make referrals to services outside of VSACT, such as health, crisis accommodation and legal services.

Case coordinators refer clients to a range of external therapeutic supports delivered by approved providers. These services are offered free of charge for clients and paid for under the VSS. The VSS has more than 122 approved private practitioners including counsellors, clinical psychologists, massage therapists and mental health social workers. In 2021–22, VSS clients accessed 8,080 hours of support with approved providers.

VSACT's Financial Assistance Scheme provides payments to victims of crime, seeking to:

- to assist victims of crime to recover from acts of violence;
- to contribute to the safety of victims of crime and the prevention of future acts of violence;
- to acknowledge the harmful effects of acts of violence; and
- to complement other services provided for victims of crime.

Payments include those to cover costs of immediate needs, such as home security upgrades, economic loss, such as medical and dental expenses, and recognition payments to acknowledge the trauma experienced from crime. Payments relating to immediate needs have a direct impact on the reduction of revictimisation of victims experiencing ongoing safety issues, while also improving the psychological wellbeing of victims who fear for their safety.

VSACT's **Family Violence Safety Action Program** (FVSAP) operates in partnership with the Domestic Violence Crisis Service and works collaboratively with community and justice agencies to case manage family violence matters that are identified as having high risk of lethality or serious harm; and to increase the visibility and accountability of domestic and family violence (DFV) perpetrators.

VSACT also administers the **ACT Victims Register**, which includes the Adult Offender Register, Youth Justice Register and Affected Persons Register. These registers provide information to registered victims about the management of an offender's sentence, and in some instances, about the mental health treatment of a forensic patient, as well as support to participate in certain decisions relating to the offender's sentence.

The Aboriginal and **Torres Strait Islander outreach program** aims to ensure that First Nations people who are victims of crime can access support and assistance in a culturally safe and responsive way. The program promotes understanding and adherence of victims rights within the Aboriginal and Torres Strait Islander community and provides support to First Nations people in a range of environments including the community, prison and health facilities.

VSACT's **multicultural liaison officer** works closely with multicultural communities in the ACT to break down barriers to accessing VSACT services and improve access to justice. This work has a particular focus on engaging and supporting newly arrived migrants, refugees and asylum seekers and uses a holistic model of care that addresses the different needs of people from multicultural backgrounds who have been impacted by crime.

The Disability Justice Liaison officer is dedicated case coordinator advocate role within the client services team who supports clients with a disability, provides justice advocacy, for example ensuring victims have necessary supports to access to the justice system, and strengthens client referral pathways between the ACT disability support sector and VSACT.

The **VSACT Volunteer Justice Program** recruits, trains and provides ongoing support and debriefing to volunteers who provide emotional and practical support to victims of crime in a range of legal and justice settings.

The VOCC and the **victim rights and reform** (VRR) team advocate for individuals affected by crime to access their rights and engage in research and policy advice to government advocating for systemic reforms to improve experiences of the criminal justice system.

A part-time victim rights advocate is responsible for complaints and education regarding the charter of rights for victims of crime.

The VOCC is responsible for administering the **Intermediary Program** under Chapter 1B of the *Evidence (Miscellaneous Provisions) Act* 1991. The VOCC maintains a panel of qualified intermediaries who provide independent advice to police, and at court, about a witness's communication needs. The ACT intermediary program, operates 24 hours a day, seven days a week and provides professional intermediaries to assist people with communication difficulties at police interviews and in court matters. Intermediaries are accredited professionals and independent officers of the court who are specially trained to facilitate the communication of vulnerable witnesses. Intermediaries provide their services wherever police have needed to conduct investigative interviews, from police stations to hospitals, schools to private homes. This report does not analyse the cost benefit of the intermediary program. *Note: Analysis of the Intermediary Program is not included CBA.*

The VOCC also provides substantive inputs to several Boards, Councils, Programs, committees, and working groups.

VSACT's quantitative impact

Benefit Transfer Method is used in this CBA to value VSACT benefits. The Benefit Transfer Method values economic benefits by transferring available unit values (prices) from studies with similar benefits. Benefit transfer is often used when it is too expensive and/or there is too little time to conduct an original valuation study. In this CBA, Benefit Transfer is used to adapt benefits from the economic valuation literature to apply to VSACT.

The Transfer Benefits are calculated as an average per client assisted. To estimate the total benefit of VSACT, an estimate of the number of victims supported is needed. The VSACT assists many victims of crime each year. This CBA applies estimates of the number of annual new VSACT clients to the average per client Transfer Benefits to calculate total benefits for VSACT interventions. The estimation of new clients in each of the VSACT programs is detailed below.

In 2022–23, 3,185 victim clients received assistance from the VSACT **Victims Services Scheme** (VSS) and 2,182 of these were more intensively supported by case coordinators (see table below). This is nearly a 110% increase since 2017–18 (see table below).

To avoid double counting this CBA only includes new clients in its Benefit Transfer Method. Of the 2,182 victim clients in 2022–23, 875 (or 40%) were new clients (see table below).

In 2021–22, a further 502 individuals received less intensive assistance via advice, information or referral from the VSS/client services team.

Table 9: Clients accessing case coordination under the VSS, number by financial year

	2017–18	2018–19	2019–20	2020–21	2021–22	2022–23
Clients provided with case coordination						
New clients registered for case coordination	404	524	689	853	677	875
Existing clients with new experiences of violence	6	6	107	156	194	244
Existing registered clients receiving ongoing service	630	521	691	860	1,049	1,063
Subtotal	1,040	1,051	1,487	1,869	1,920	2,182
Clients provided with information, referred to other services or unable to be contacted						
Advice, information or referral	429	544	613	755	681	502
Referral received and client declined service	140	80	44	73	82	58
Out of scope/inappropriate referral	25	23	15	33	39	120
Clients unable to be contacted after 3 attempts	207	186	270	353	354	323
Total	**1,841**	**1,884**	**2,429**	**3,083**	**3,076**	**3,185**

Source: ACT Human Rights Commission, Annual Report 2022–23, p 59.

This CBA estimates the total number of new VSS/client services team clients assisted each year (for the ten years 2023–32) as the sum of new case coordinated clients, who receive brokered therapeutic services, (875) plus the victim clients receiving less intensive assistance via advice, information or referral to other agencies (502). Therefore, the total new clients assisted under the VSS is conservatively assumed to be 1,377 per year based on 2022–23 data.

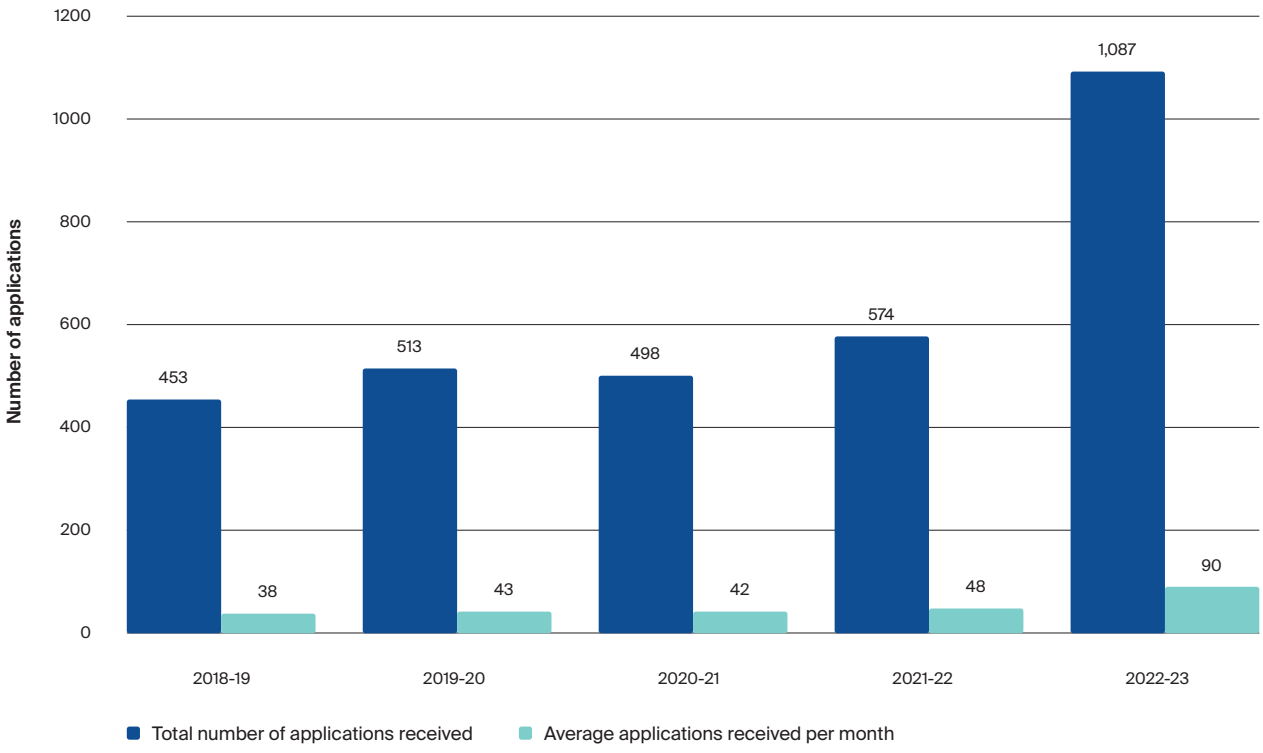
The **Financial Assistance Scheme** (FAS) provides transfer payments to FAS clients. Transfer payments are not included as a cost in this Cost Benefit Analysis[10] because the transfer of money does not remove economic resources from other uses and so is not an economic cost (Frisman & Rosenheck, 1996). The financial transfer payments from taxpayers to FAS clients reduce taxpayers consumption and this is balanced by an increase in FAS client consumption (ie at the social level money has changed hands but there is no net change in consumption). Comparing these two consumption options (taxpayers versus FAS clients) is a moral question and is beyond the scope of CBA. However, externalities in the form of the positive impacts of FAS client consumption improving education outcomes, reduced health and justice system resources use are included.

FAS also provides direct assistance to victims of crime for immediate needs in the form of services for personal security and relocation (these are included in VSACT economic costs) – this funding and support to access it reduces re-victimisation and significantly improves psychological wellbeing.

Around half of FAS clients are also VSS clients. Therefore, to avoid double counting, only 50% of the 1,087 new FAS clients in 2022–23 (see Figure above) are counted in the total clients assisted by VSACT. This results in an annual 544 unique FAS clients for inclusion in the Benefit Transfer Method for the ten-year period 2022–23 to 2023–32.

VSACT's **Family Violence Safety Action Program** (FVSAP) established as a pilot in July 2020, assists ACT agencies to better identify, assess and respond to high-risk DFV matters by providing intensive case management for high-risk and complex cases of domestic and family violence. FVSAP worked with 246 high risk family violence cases in 2012–22 and 274 in 2022–23. Around 75% of FVSAP clients are also FAS or VSS clients. Therefore, to avoid double counting only 25% of the 274 FVSAP clients in 2022–23 (69 unique clients pa) are counted in the total clients assisted by VSACT.

Figure 7: In 2022–23, 1,087 new applications were lodged under the Financial Assistance Scheme



Source: ACT Human Rights Commission, Annual Report 2022–23, p 57.

VSACT's rights and reform team: In 2021–22, a total of 101 and in 2022–23 a total of 88 victims' rights concerns were raised with the VOCC. Most concerned the ACT Police or DPP, typically involving the breach of a victim's right to respect, and their right to receive timely updates from police. Victim's rights clients are assumed not to be unique clients and are not included in the total.

Aboriginal and Torres Strait Islander Outreach Program provides flexibility to reach and support the Indigenous community to access supports and exercise their rights as victims of crime. In 2022–23, the program assisted 179 clients and in 2021–22 assisted 156 clients. These clients are included in the VSS client number given above.

Multicultural Liaison Officer (MLO) supports clients with a migrant or refugee background.

In 2022–23, 97 new clients were supported and in 2021–22, 79 new clients were supported by the MLO. These clients are included in the VSS client number given above.

In 2021–22, VSACT provided case coordination services to 89 new clients with a disability and continued work with 144 clients who identified having a disability, making up just over 12 per cent of total clients accessing case coordination. In 2022–23 this increased to 212 new clients and 260 ongoing clients identifying as having a disability, making up 20 per cent of VSS clients.

Total new unique VSACT clients

Based on the number victim clients, type of service provided and proportion of clients using more than a single service (double counting), this CBA assumes that VSACT provides services to **1,990** new unique victim clients each year of the 10 years covered by this CBA.

This is calculated as:

- 875 new VSS client receiving case coordination, plus
- 502 new unique VSS clients receiving advice, information or referral, plus
- half of the 1,087 FAS clients (giving 544 unique clients), plus
- a quarter of the FVSAP 274 clients (giving 69 unique clients).

Clients of the ALO, MLO and National Redress Scheme (NRS) are assumed not to be unique clients and are not included in the total.

FAS client numbers are halved and FVASP clients quartered because some clients access more than one of VSS, FAS and FVASP.

The **number of children** assisted by VSACT who are victims of crime or children of victims is needed to calculate the value of improved education outcomes.

In 2022–23, the VSS assisted 433 children as primary clients. Some of these children were not new clients and therefore the 433 children are reduced by 50% to give **217** new VSS child clients each year.

The 1,377 (875 plus 502) new VSS clients (identified above) include families with children deducting the 217 child clients gives 1,160 new adult VSS clients and assuming on average there is one child per adult client (some will have no children but others will have several) gives a total of **1,160** children of VSS clients receiving case coordination.

It is assumed that the 370 unique FAS clients counted in this CBA have on average one child giving a total of **370** children.

In 2020–21, FVSAP clients had 260 children and in 2022–23, 315 children (information provided by VSACT). Some of these FVSAP clients will have already been included in the VSS total and therefore the 315 children are reduced to 25% to avoid double counting and giving **79** unique FVSAP client children.

In total this gives **1,609** children assisted per year directly as clients, or indirectly from a parent accessing VSACT services.

Attachment F - Valuing the costs benefits of support for victims of crime

Most economic valuation avoids assessment of difficult and problematic interventions and instead focuses on areas that can be easily measured (Wood & Leighton, 2010) and (Teles & Schmitt, 2011). An example of this neglect is support for victims of crime. The difficulties for evaluation of social interventions, for example support for victims of crime, include:

- The complexity of public policymaking;
- The role of external forces and conditions;
- Problems of attribution;
- The long time frame needed for changes to occur; and
- Shifting strategies and milestones (Whelan, 2009).

Support for victims of crime is a merit good[11]. A merit good's value is determined by the social needs of citizens, rather than just individual consumers' ability and willingness to pay. To value a merit good it is necessary to look not only at the individual consumer willingness to pay for the good (market price), but also to include the benefits that accrue to the wider society (externalities). CBA provides the framework for this more comprehensive comparison. Public and philanthropic funding for victims of crimes reflects its value as a merit good and measures the importance that society places on equality and social inclusion (Ver Eecke, 2003).

Support for victims of crime requires systemic and transformational change. It is about power, and challenging and overturning power relations. This presents challenges for the economic valuation of VSACT. However, by focusing on how VSACT changes people's lives it is possible to identify tangible and measurable impacts for economic valuation (Wood & Leighton, 2010).

Despite the concerns noted above, it is both possible and often even routine to estimate economic values for the costs and benefits of support for victims of crime. There are several methods relevant to assessing the economic value of support for victims of crime, including cost effectiveness analysis (CEA), cost benefit analysis (CBA), and social return on investment (SROI). (Fleming, 2013). Cost-benefit analyses that place a value on the cost of crime include: (Dilulio & Piehl, 1991), (Gray, 1994), (Levitt, 1996), (Donohue & Siegelman, 1998), (Rajkumar & French, 1997), (Aos, Phipps, Barnoski, & Lieb, 1999), and (Welsh & Farrington, 1999).

Economic estimates of the cost of crime include violence (Corso, Mercy, Simon, Finkelstein, & Miller, 2007) or sexual violence (Miller, Taylor, & Sheppard, 2007), alcohol-related crime (Miller, Levy, Cohen, & Cox, 2006); (Miller, Levy, Spicer, & Taylor, 2006), fear of crime (Dolan & Peasgood, 2007), and mental health care (Cohen & Miller, 1998).

Cost Benefit Analysis is a comprehensive way of determining the degree to which the economic value of the benefits of VSACT to society exceeds VSACT's economic costs to society. Cost Benefit Analysis answers the question *Does VSACT add to the net economic wellbeing of society?*

The cost of crime comes in several forms (National Council to Reduce Violence against Women and their Children, 2009). These are:

- pain, suffering and premature mortality costs associated with the victims/survivors experience of violence;
- public and private health system costs associated with treating the effects of crime;
- 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 debts, and the costs of moving;
- second generation costs: the costs of children witnessing and living with violence, including child protection services and increased juvenile and adult crime; and
- administrative and other costs, including police, incarceration, court system costs, counselling, and violence prevention programs.

By reducing these costs VSACT benefits the Canberra community. These benefits can be valued.

This attachment summarises the relevant research literature underpinning the valuations adopted in this CBA. Cost Benefit Analysis typically estimates economic valuations based on the research literature. This methodology is known as Benefit Transfer (Boutwell & Westra, 2013) and (Johnston, Rolfe, Rosenberger, & Brouwer, 2015). Where available we use meta-analysis, or the "study of studies", to provide a more thorough and statistically valid value estimate for use in a benefit transfer (Lipsey & Wilson, 2001).

Costs

The resources consumed by VSACT will not be available for alternative uses and therefore there is an opportunity cost to society. These costs would not have occurred without VSACT.

VSACT labour, rent, services and supplies

The resources used by VSACT will be purchased in competitive markets where prices are a good estimate of economic value. Therefore, these costs are valued at market prices.

This CBA uses cost estimates supplied by VSACT for 2022–23 and estimates prepared for the Justice and Community Safety Directorate (ACIL Allen, 2023).

Annual VSACT costs (based on 2022/23 financial year) are estimated to be:

- $5.8 million for staffing;
- $0.8 million support costs (IT insurances and office accommodation):
- $1.4 million for approved provider costs (under the VSS); and
- $0.6 million for the purchase of goods and services for the personal protection and/or relocation of victims of crime.

This gives a total cost of $8.6 million per year.

2023–32 Total Present Value: $57.7 million
(2023 dollars discounted by 8% over ten years).

VSACT FAS transfer payments

Transfer payments under FAS are excluded from CBA estimates of NPV and cost benefit ratios. In this CBA transfer payments are included in distribution analysis.

The payments made directly to victims of crime under VSACT's FAS program are transfer payments. Transfer payments are excluded from economic CBA (and the calculation of Gross Domestic Product). Transfer payments are financial but are not economic costs/benefits. Economic costs and benefits impact on the real economy of goods and services. Transfer payments are simply financial movements of money. One party's financial gain balances the other party's financial loss. This transfer of money does not remove resources from other uses and so is not an economic cost (Frisman & Rosenheck, 1996). Transfer payments from taxpayers to FAS clients reduce taxpayers consumption and this is balanced by an increase in FAS client consumption. Comparing these two consumption options (taxpayers versus FAS clients) is a moral question and is beyond the scope of CBA. Externalities in the form of the positive impacts from FAS client consumption on improved education outcomes, and reduced health and justice system resources use are included.

VSACT benefits

Economic costs to victims of crime are tangible (e.g., lost wages/production, medical expenses) and intangible (e.g., pain, suffering, lost quality of life, fear of future victimisation) (Welsh B. , 2004, p. 10), (Shapland & Hall, 2007), and (Fuller, 2015). VSACT support reduces these costs thereby benefiting both victims and government.

Research finds that social interventions have multi-faceted outcomes on the lives of supported people (Hoggarth & Smith, 2004). These outcomes can be classified as either **process outcomes** such as personal development, as or **destination outcomes** in education, employment or training.

Process outcomes having a personal impact on victims of crime (quality of life or consumptive values) are the primary purpose of VSACT interventions. It is difficult to place a comparable value on these quality of life outcomes, however, they are likely to be substantial for the individuals involved. Quality of life benefits are only included in this CBA as a sensitivity analysis (see Attachment G). Therefore, our estimate of total benefits is a conservative under-estimate. This strengthens our conclusion that VSACT has net positive impact on Canberra's economic welfare.

Destination outcomes (output enhancements and cost savings: productive value) impacting justice, accommodation, education, employment or training improve both; the output of victims of crime, and the productivity of public services. The greater output of supported victims of crime can be measured by their greater production in the workforce. Cost savings can be measured by the increased productivity of public services: freeing economic resources for their next best use.

Output enhancements are valued first and then cost reducing enhancements are valued.

Output gains from VSACT (production improvements)

VSACT increases ACT output by enabling victims of crime and their families to produce more.

Production gains from workforce engagement

Crime, particularly domestic violence reduces a person's capacity in many ways, one of which is the ability to work. VSACT support for victims of crime assists them and their families to more fully participate in the workforce. Victim support improves rates of employment and thereby increases the output available to society. The research literature valuing the increased output is summarised below.

Crime impacts are known to have a serious impact on employment (Patel & Knapp, 1998), (Showalter, 2016), (Hanson, Sawyer, Begle, & Hubel, 2010) and (Knapp & Wong, 2023). This may include:

- lost days of employment from injuries, fear and anxiety, time spent seeking help and seeing doctors and lawyers;
- lost productivity from working beneath potential due to injuries, fear and anxiety;
- lost jobs from poor work performance or need to move locality to escape further crime (Lloyd, 1997); and (Shepard & Pence, 1988) and
- disrupted education and training programmes (Brush, 2000).

Lost employment harms victims, employers, the government, and society more generally. While the victim loses income, promotion and jobs; the employer faces the costs of days taken off sick; lower productivity because of poor concentration and possible disruption by the violent partner at work; plus the costs of recruitment and re-training if a person leaves their job (Henderson, 2000).

Retaining or gaining employment has substantial quality of life impacts on victims of crime by improving their finances, promoting physical safety, increasing self-esteem, improving social connectedness, providing mental respite, and providing motivation or a purpose in life (Rothman, Hathaway, Stidsen, & de Vries, 2007). These benefits are not included here but are part of the sensitivity analysis in Attachment G.

VSACT directly and indirectly assists victims of crime to engage more fully in the workforce both paid and unpaid. The economic value of productivity gains due to these employment improvements are a benefit to society (increased output) and should be included in this Cost Benefit Analysis.

These improved outcomes can manifest in several ways, including:

- a reduction in unemployment, a victim that would not otherwise secure employment is now employed;
- a reduction in underemployment, a victim gets a job making the most of their skills and abilities; and
- an increase in productivity, an employed victim is more fully productive at work.

This CBA takes the conservative approach of only valuing the reduction in unemployment and underemployment. Increased productivity in existing employments is likely to be substantial but a lack of data makes it more difficult to measure.

There are two widely applied imputation methods used to value labour – the opportunity cost method and the replacement wage method. The replacement wage method uses the wage rate of hypothetical workers who could be hired to replace the workers. In contrast, the opportunity cost method values the time of the workers at the rate they could earn in the market. Where the individual is not employed in the market, the market wage of the individual may be difficult to determine. Typically, either the minimum wage or the median wage is used as a proxy (Cushing & Rosenbaum, 2012).

The benefits of reducing victim unemployment can be measured as the contribution this makes to production, as valued by average weekly earnings (human capital approach[12]).

For example, (Masur & Posner, 2012) estimate that in the US workers who are laid off lose an average of US$100,000 in wages over the course of their lifetimes even after reemployment. This is due to the loss of firm or industry specific human capital, and thereby the loss of employee productivity. These wage losses are social costs (lost production). The loss to the workers made unemployed is valued by taking their current market wage and subtracting the market wage that they will earn in their next job and any transition costs (moving costs, retraining costs, etc.).

Reduced unemployment also increases the taxation revenue raised by Government and reduces Government payments on unemployment benefits. These effects are transfer payments that do not create or use up economic resources. Accordingly, these benefits are not included as to do so would result in double-counting (Wilkins, Love, & Greig, 2012).

In the CBA literature increased production is typically valued at the minimum wage rate. This provides a minimum (ie conservative) estimate of a person's wage (in competitive employment) and thereby an estimate of the value of output (net of other input costs) produced by that person. For example, (Bauer, Wistow, Dixon, & Knapp, 2013, p. 18) used this minimum wage approach in a UK study. It was also the methodology used in a Queensland CBA of disability interventions (Synergies Economic Consulting, 2012, p. 71).

Based on the above research and VSACT data, this CBA uses the following conservative assumptions.

The number of victims of crime who gain employment due to VSACT support plus those already in employment, but who would have become unemployed without VSACT support, is estimated as 5% of the 1,990 new victims supported by the VSS in 2022–23. This results in 99 people gaining employment. It is assumed 50 of these victims of crime would be employed for an extra 10 years and 49 would be employed for an extra 5 years.

Taking a very conservative assumption that the employment is part-time, at an annual wage of $20,000 pa, over a working life of 20 years for 50 victims of crime who would not otherwise have found employment and discounting by 8% (annuity factor of 9.8181) gives an annual benefit of $9,818,000.

In addition, assuming a part-time average wage of $5,000 pa over only 5 extra years for 49 victims of crime (annuity factor of 3.9927) gives an annual benefit of $978,000.

Added together this is an annual benefit of $10,796,000 from greater workforce engagement.

2023–32 Total Present Value: $72.5 million
(2023 dollars discounted by 8% over ten years).

Productivity gains from health improvements

Victims of crime experience significant injury to their health which would typically lead to death at younger ages. The negative health impacts are aggravated by victim's poor access to health services.

VSACT support improves access to healthcare (both physical and mental health services) for victims of crime, and thereby increases their lifespans and their production at work.

Estimates of the value of a human life should ideally include both the production value of a human life (Human Capital Approach) and the consumption benefit of a human life (willingness-to-pay, statistical value of a human life).

Economic estimates of the consumption value of life (willingness to pay) typically are well over one million dollars (Abelson, 2003), (Viscusi & Aldy, 2003), and (Keller, Newman, Ortmann, Jorm, & Chambers, 2021). The (Department of Prime Minister and Cabinet, 2021) estimates of the value of a statistical life at $5.1m and the value of a statistical life year at $222,000, in 2014 dollars. (Sullivan & Von Wachter, 2009) use a $5 million value of a statistical life.

Estimates based on the Human Capital Approach (HCA) are generally lower. An extra year of working life will increase production and the resources available to the Canberra community. In this CBA the health impact on employment is measured using the Human Capital Approach and mortality data. To be conservative a very low estimate for the average annual production value of a human life ($15,000 per year) is used in this CBA and the consumption value is omitted (it is included in sensitivity analysis, Attachment G).

This CBA assumes that 10% of the 1,990 victims of crime supported by VSACT (199 people) gain on average of one extra year of working life (after an average of 20 years) and values this extra year at $15,000. Discounting back to the present at 8% per year over the 20 years (discount factor of 0.2146) gives a present value of $3,219 per person per year and $641,000 for the total of 199 people.

In addition to an extra year of life, better health will result in higher production in employment (ie fewer sick days). This CBA assumes that 10% of the 1,990 new victims of crime supported by VSACT (199 people) will be 2% more productive over a working life of 20 years at an average wage of $15,000 per year. This gives a $300 increase in production per year over the 20 years.

Discounting back to the present at 8% per year (annuity factor of 9.8181) gives a present value of $2,945 per person per year and $586,000 for the total of 199 people.

Together the annual benefit of better health is $1,227,000 per year.

2023–32 Total Present Value: $8.2 million
(2023 dollars discounted by 8% over ten years).

Productivity gains from fewer deaths

Between 2014 and 2021 **homicides** in the ACT varied from 4 to 12 persons per year (Australian Bureau of Statistics, 2021-22). In this CBA, it is conservatively assumed that VSACT interventions indirectly reduce homicides by 1 per five years.

Between 2014 and 2021 **suicides** in the ACT varied from 28 to 65 persons per year (Australian Bureau of Statistics, 2021). In this CBA, it is assumed that VSACT interventions indirectly reduce suicides by 1 per year.

Assuming an average wage of $20,000 over a working life of 20 years for the avoided 1 homicide per five years and 1 suicide per year avoided due to VSACT and discounting by 8% (annuity factor of 9.8181) the present value of the increase in employment estimates a total improved productivity valued at $196,000 per year plus another $196,000 every five years.

2023–32 Total Present Value: $1.5 million
(2023 dollars discounted by 8% over ten years).

Productivity gains from education improvements

VSACT support for victims of crime and their families improves educational achievements and thereby improves labour productivity. The research literature on the impact of education on labour productivity and valuing labour productivity is summarised below.

Parental involvement is an important contributor to educational achievement of children (Hill & Tyson, 2009). The increase in wellbeing experienced through VSACT support enables victims of crime to be more actively engaged in school activities for their children.

VSACT support for victims of crime reduces child absenteeism, performance problems, and misbehaviour. This increases children's years of schooling (Eivers, Ryan, & Brinkley, 2008, p. 8). The lifetime UK cost of a child leaving school without any qualifications was valued at just below £58,000. (Friedli & Parsonage, 2007) estimated the lifetime cost of behaviour problems at £75,000 per case for moderate problems (90 per cent of cases) and £150,000 per case for severe problems (10 per cent of cases).

Based on the research literature, this CBA conservatively estimates the benefits of VSACT to be a 0.5% increase in lifetime average earnings for children of victims of crime and children who experience crime.

The number of children assisted by VSACT, indirectly from support for parents who are victims of crime or directly as victims of crime themselves, is calculated as 1,609 based on information supplied by VSACT. Assuming a very conservative average wage of $40,000 (below minimum wage) over a working life of 30 years and discounted by 8% (annuity factor of 11.2578): the present value of the 0.5% increase in income totals $2,252 per person over their working life. For the 1,609 children assisted each year this results in an improved productivity valued at $3.623,000 per year.

This lump sum value of the annuity of the 0.5% increment in income will not begin until the students finish school and begin employment. Assuming an average of six years from the VSACT intervention to the beginning of employment, the improved productivity needs to be discounted at 8% pa (discount factor of 0.6302) resulting in present value benefit from each year's VSACT support for victims of crime of $2,2383,000.

2023–32 Total Present Value: $15.3 million
(2023 dollars discounted by 8% over ten years).

Production gains from Law Reform and Policy Advice

VSACT support for victims of crime includes the preparation of policy advice to government, submissions to, and appearances before, inquiries, and other systemic project work. This work aims to improve the justice system and the experiences of victims of crime, and represents a benefit to society. It is therefore included in this CBA.

The value of this law reform and policy advice is estimated by using the Replacement Approach. If VSACT did not undertake this work, it would have to be purchased from consultants. The price paid for similar work is used as a proxy for VSACT law reform and policy advice.

Typically, each year, 20 significant advices to Government are produced by VSACT. These are valued by the cost of using consultants to prepare such advices. It is conservatively assumed this would cost $10,000 per advice. The 20 advices per year are valued at $200,000.

2023–32 Total Present Value: $1.3 million
(2023 dollars discounted by 8% over ten years).

Cost savings from VSACT (freeing resources for alternative uses)

VSACT support to victims of crime increases the resources available to public services through cost savings: freeing economic resources for their next best use. VSACT helps victims of crime to find the most appropriate services (health, justice system, accommodation, education, etc). Typically, these appropriate services are less expensive (over the life of the victim of crime) than the services that would be used without VSACT support. The Commonwealth and Territory governments provide most of these services and therefore the net benefits flow directly to reductions in government budget deficits or can be used to support other government priorities.

Cost savings from reduced property damage

By reducing repeating crimes, particularly in relation to domestic and family violence, VSACT reduces property damage.

Stalking-related property damage amounts to an average of $US610 per incident in repair and maintenance (Logan & Walker, 2010).

This CBA assumes a reduction of property damage of $1,000 for 10% of the 1,990 victims of crime supported by VSACT giving a benefit of $199,000.

2023–32 Total Present Value: $1.3 million
(2023 dollars discounted by 8% over ten years).

Cost savings for AFP Professional Services, ombudsmen and complaints tribunals

VSACT support reduces the number of complaints cases going to formal resolution bodies including the AFP Professional Services Unit, the ACT Ombudsman, and the ACT Human Rights Commission. This delivers substantial public sector cost savings for these bodies. These savings free resources for other use and are a benefit to society and therefore are included in the CBA.

It is assumed that 10% of VSACT supported clients would have gone to a complaint body in the absence of VSACT giving 199 victims; of these 100 are assumed to be informal inquiries and 99 are formal complaints requiring more substantial resources.

This CBA conservatively estimates the benefits of avoiding *informal* complaints to complaint bodies to be $400 per person per year. For the 100 victims avoiding informal complaints this gives a total annual saving of $40,000. For more *formal* complex complaints, it is assumed each case will save $2,000 per complaint for the 99 complaints giving a total annual saving of $198,000 per year.

The total benefit is therefore $238,000 per year.

2023–32 Total Present Value: $1.6 million
(2023 dollars discounted by 8% over ten years).

Child protection cost savings

Family violence, including sexual assault, within homes frequently requires involvement of child, youth and family services. By supporting parents who are victims of family violence, VSACT support for victims of crime results in fewer children entering the child protection system saving substantial resources (Gilbert, et al., 2009). These savings are a benefit to society and therefore are included in the CBA. The research literature valuing these resources is summarised below.

VSACT assists victims of crime to maintain a place in their children's lives while providing greater child placement stability both in the home and in out of home care. Placement stability has been identified and repeatedly confirmed as a lead contributor to improved outcomes for looked-after-children (Pecora, 2010).

Placement stability is a good predictor of school performance. Research shows that children who have had an unstable placement history over 18 months are twice as likely to develop behaviour problems as those children who achieved early stability in their foster placements (Rubin, et al., 2004). Lifetime costs of behaviour problems are estimated as £75,000 per case for moderate problems (90 per cent) and £150,000 per case for severe problems (10 per cent) (Friedli & Parsonage, 2007).

Other costs avoided when a placement is stable include short-term costs to the child welfare system for arranging new placement (Price, et al., 2008) and having to arrange (at least temporarily) for care home provision. VSACT support indirectly both helps victims of crime maintain their families and helps parents, unable to maintain their families, to maintain contact with their children and strengthen the placement stability of their looked-after-children.

VSACT support for victims of crime with children provides substantial public sector cost savings including from a reduction in safeguarding activities, care proceedings, and care provision:

- Cost of child protection programmes vary substantially (an average estimate by (Bonin, Beecham, Byford, & Parsonage, 2011) is £1,750 per case with a present value of long-term cost savings to society estimated substantially higher at up to £18,000 per case.
- The average cost per year for the provision of adoption services based on UK national expenditure data was £83,585 for statutory and £85,045 for independent provision, respite foster care £700 per week, children's home £2,995 per week, foster home £700 per week (Curtis, 2014, p. 95).
- In a UK study based on five case studies with troubled young people and their families, the average cost of a successfully provided intensive family intervention was about £35,000 and the cost savings from prevented expenditure over five years was £280,000 per person (Flint, Batty, Parr, Platts, & Nixon, 2011).
- (Holmes, Munro, & Soper, 2010, p. 15) estimate average English local government child protection costs from initial contact to core assessment at £1,177 per case and care proceedings at £2,463 per case.
- (Salman, 2012) estimate that advocacy intervention regarding child safeguarding costs around £1,000 to complete a needs assessment, an average of £489 for foster care, and calls to a duty desk cost around £50 an hour.
- (Bauer, Wistow, Dixon, & Knapp, 2013, p. 13) estimate the UK cost of child placement in care homes at £136,214 pa and foster care at £20,800 pa.

VSACT has freed child protection resources for alternative uses and those uses can be valued by the market prices paid for them.

Based on the research literature summarised in Attachment F, this CBA conservatively estimates the benefits of VSACT support for victims of crime with children on the work of child, youth and family services to be $3,000 per person assisted per year.

The number of children assisted by VSACT is calculated as 1,609 based on information supplied by VSACT (see Attachment E). It is conservatively assumed that 5% of these children would have entered care without VSACT support. Assuming an average benefit of $3,000 per year per person gives a total annual saving of $241,000 per year.

2023–32 Total Present Value: $1.6 million
(2023 dollars discounted by 8% over ten years).

Saving unpaid support people's costs

VSACT support to victims of crime assists unpaid support people by providing practical and therapeutic assistance to victims of crime, and reducing the need for care of victims of crime. This frees unpaid support people's time for other uses. This freed time adds valuable resources to society. Support people have among the lowest levels of wellbeing of any group of Australians (Productivity Commission, 2011, p. 6) and (Mental Health Council of Australia, 2009). The research literature valuing support people's costs is summarised below.

(Access Economics, 2010) estimated the economic value of informal care in Australia. It estimated that approximately 129,900 carers were unemployed due to informal care responsibilities in 2010 (1.1% of the Australian workforce). It used the opportunity cost method (average national wage rate of $968.10 per week) to derive its lower bound estimate of the cost of informal care. This method provided a total economic value of informal care in Australia of $6.5 billion.

Access Economics also applied the replacement cost method (wage rate of full-time carers and aides in the formal sector), which provided an upper bound estimate. In August 2008, this wage rate was $22.30/hour, which increased to $31.04/hour when loading costs were added. The replacement cost method yielded a value of $40.9 billion for informal care in Australia.

(Deloitte Access Economics, 2015, p. 15) used the replacement cost method (Feinberg, Reinhard, A, & Choula, 2011) and (Grimmond, 2014) to estimate the average hourly cost of employing a carer in the formal sector to replace an informal carer at $31.36 in 2015.

These estimates demonstrate that there is a substantial cost associated with unpaid support people. This is a cost that is reduced by VSACT assistance for victims of crime.

The hours per week spent caring by informal carers varies widely with around half doing less than 20 hours per week and around a third doing more than 40 hours per week, based on a study by Deloitte Access Economics (2015). This CBA assumes unpaid support people for victims of crime can reduce their support by an average of one hour per week due VSACT assistance. This is conservatively valued at $22 per hour.

The number of support people for victims of crime assisted by VSACT support to reduce their support hours is very conservatively estimated as 20% of the 1,990 people receiving VSACT support giving 398 carers. Assuming an average benefit of one hour per week, for 25 weeks, freed for alternative uses, for each support person, valued using the replacement cost methodology at $22 per hour this gives a total annual saving of $219,000 per year.

2023–32 Total Present Value: $1.5 million
(2023 dollars discounted by 8% over ten years).

Medical cost savings

VSACT support for victims of crime prevents some of the substantial health problems experienced by unsupported victims of crime. VSACT reduces health costs releasing health care resources for alternative uses (Pokhilenko, et al., 2021) and (Mayer, Łaszewska, & Simon, 2022). The research literature valuing these costs is summarised below.

- Alcohol treatment intervention can substantially reduce public sector costs. (Godfrey, 2005) estimates a net reduction in cost of between £590 and £800. On this basis, (Bauer, Wistow, Dixon, & Knapp, 2013, p. 15) estimate a net cost reduction to the public sector of £1,950 per annum per person assisted with advocacy on alcohol treatment intervention.
- Counselling for depression can provide substantial public sector cost savings. (Petrou, Cooper, Murray, & Davidson, 2006) value public sector cost savings from depression preventative primary care intervention at £1,760 per month based on willingness to pay. (Laynard, Clark, Knapp, & Mayraz, 2007, p. 15) estimate a cost saving of £1,820. On this basis, (Bauer, Wistow, Dixon, & Knapp, 2013) (2013:15) estimates a net cost reduction to the public sector of £860 per annum per person assisted with advocacy on depression counselling.
- Community-based treatment is much cheaper than hospital-based acute residential treatment for patients with substance use and psychiatric disorders. (Timko, Chen, Sempel, & Barnett, 2006) in the US estimate the average cost for hospitalised patients at US$25,462, and the cost for community-based patients at US$12,174, a saving of US$13,288 per person with a disability.
- Mental health peer support for hospital avoidance and early discharge provides substantial savings. (Lawn, Smith, & Hunter, 2008) estimate savings in Australia of $93,150 after deducting the cost of peer support set up, delivery of approximately $19,850.
- Mental health service use and costs for persons with severe mental illness are typically reduced where advocacy improves long-term employment. (Bush, Drake, Xie, McHugo, & Haslett, 2009) estimate an average cost reduction of US$166,350 per participant for outpatient services and institutional stays for those in the steady-work group compared with a minimum-work group over ten years
- Stalking that occurred within the context of domestic abuse cost society £1,210 per abused person in (mental) health services (Oliver, Alexander, Roe, & Wlasny, 2019).

Table 10: UK Hospital and ambulance costs by type of crime

Type of crime	Type of accident	Cost per person £
Homicide	Fatal	670
Serious wounding	Serious	9,190
Other wounding	Slight	680
Common assault		0

Source: (Walby & Allen, 2004)

Based on the research literature, this CBA conservatively estimates the health benefits of VSACT support to victims of crime to be on average $2,000 per person per year.

The number of victims of crime avoiding health costs due to VSACT support is conservatively estimated as 10% of the 1,990 victims of crime supported by VSACT giving 199 people. Assuming an average benefit of $2,000 per person gives a total annual saving of $398,000.

2023–32 Total Present Value: $2.7 million
(2023 dollars discounted by 8% over ten years).

Accommodation savings

VSACT support helps victims of crime remain safely in their own homes and so reduces their use of crisis accommodation. This frees crisis accommodation for other users and can substantially reduce a range of costs derived from crisis accommodation or homelessness (Thomson, Thomas, Sellström, & Petticrew, 2013).

The cost of homelessness and crisis accommodation is high. VSACT support reduces homelessness and the associated and expensive hospitalisation, medical treatment, incarceration, police intervention, and emergency shelter expenses. (Culhane, Metraux, & Hadley, 2002) established that persons supported in housing achieve marked reductions in shelter use, hospitalisations, length of stay per hospitalisation, and time incarcerated. By reducing homelessness and the use of crisis accommodation, VSACT releases government care resources for alternative uses.

VSACT support helps create housing stability and provides substantial public sector cost savings. Housing instability often makes it difficult for people to access regular medical attention, and treatment, and negatively impacts on recuperation. Reduced treatment of medical problems can aggravate health problems, making them both more dangerous and more costly.

The research literature valuing the cost of poor housing is summarised below.

People experiencing homelessness are more likely to access more costly health care services. For example:

- (Salit, Kuhn, Hartz, Vu, & Mosso, 1998) found in the US, homeless people spent an average of four days longer per hospital visit than comparable non-homeless people at an extra cost of approximately US$2,414 per hospitalisation.
- (Martell, et al., 1992) found that homeless people in Hawaii had a rate of psychiatric hospitalisation over 100 times higher than their non-homeless cohort. The estimated excess cost for treating these homeless individuals was about US$2,000 per person.
- (Diamond & Schneed, 1991) estimate that each homeless Texan costs taxpayers US$14,480 per year, primarily for overnight jail.
- (Connelly, 2014) found that for an investment of $500,000, the Homeless to Home Healthcare After-Hours Service reduced both inpatient admissions and Emergency Department presentations in Brisbane, saving nearly $7,000,000 in hospital costs and providing a net social benefit of over $12,000,000 per year.
- (Flatau, Zaretzky, Brady, Haigh, & Martin, 2008) estimate Western Australian homelessness programs produced an annual cost reduction of $1,739 per client from reduced use of justice services and potential annual whole-of-government savings of at least twice the annual cost of delivering effective homelessness programs.
- (Meehan, Stedman, Robertson, Drake, & King, 2011) and (Meehan, Madson, Shepherd, & Siskind, 2010) estimate the recurrent cost of keeping an average client in housing assistance for 12 months as $74,000 less expensive than keeping the same client in a community care unit (CCU) and $178,000 less expensive than keeping the same client in an acute inpatient unit.
- In Denver, (Gillespie, Hanson, Leopold, & Oneto, 2021) supported housing saved $15,733 per year, per person in public costs for shelter, criminal justice, health care, emergency room, and behavioural health costs. The savings were enough to completely offset the cost of housing (US$13,400) and still save taxpayers US$2,373.
- (Salman, 2012) values crisis centre accommodation at a weekly cost of £1,300, amongst other expenditure. In contrast, help-at-home schemes offer a mix of community support with the aim to address a range of wellbeing needs at a much lower cost (Bauer, et al., 2017).
- (Pomeroy, 2005) looked at costs (per person in Canadian dollars) in four Canadian cities, institutional responses (jails, hospitals, etc.) cost $66,000-$120,000 annually and emergency shelters cost $13,000-$42,000 annually, whereas supportive and transitional housing cost $13,000-$18,000, and affordable housing without supports was only $5,000-$8,000.

Based on this research literature, this CBA conservatively estimates the benefits (avoided costs) of VSACT support helping victims of crime to remain in their own homes to be on average $8,000 per person per year (assuming five weeks per person per year).

The number of victims of crime avoiding homelessness or crisis accommodation due to VSACT support is very conservatively estimated as 5% of the 1,990 victims of crime supported by VSACT giving a total of 94. Assuming an average benefit of $8,000 per person for 99 people avoiding homelessness or crisis accommodation gives a total annual saving of $792,000 per year.

2023–32 Total Present Value: $5.3 million
(2023 dollars discounted by 8% over ten years).

Justice system savings[13]

VICTIM AND JUSTICE SYSTEM EMPLOYEE TIME SAVINGS

VSACT support to victims of crime helps reduce the substantial resources victims may otherwise use to aid their participation in the justice system. Friends and relations of the participants also use substantial resources to support victims and offenders. These resources include their time and travel costs. VSACT support, including support to report to police, support to arrange and attend meetings with police or prosecution, court support, including court-familiarisation tours, and engagement with police, prosecutors, court staff or corrective services to resolve practical questions or concerns that the victim would otherwise have to address themselves, reduces these costs, freeing resources for alternative uses. These savings are a benefit to society and therefore are included in the CBA.

This CBA assumes that on average VSACT support reduced the interaction of victims of crime with the justice system by an average of 5 hours for the 1,990 victims of crime. Valuing this time at $22 per hour gives a total saving of **$219,000 per year**.

Less interaction with the justice system by victims of crime also saves the time of justice system workers. Taking the five hour saving for the 1,990 victims of crime and valuing at $40 per hour (a conservative estimate of average wages in the justice system) gives a total saving of **$398,000 per year**.

Summing all these justice system cost savings gives a **total** of **$617,000 per year**.

2023–32 Total Present Value: $4.2 million
(2023 dollars discounted by 8% over ten years).

REDUCED INTERACTION OF CHILDREN WITH THE JUSTICE SYSTEM

By helping protect children from, and supporting them after experiencing domestic and family violence and sexual abuse, VSACT support reduces participation in the justice system for those children throughout their lives. Research on the longer-term impact of child maltreatment identifies a range of negative consequences for mental health and adjustment in childhood, adolescence and adulthood. Child maltreatment substantially contributes to child mortality and morbidity and has long lasting effects on mental health, drug and alcohol misuse (especially in girls), risky sexual behaviour, obesity, and criminal behaviour, which persist into adulthood. Not all victims experience these difficulties – family support and strong peer relationships appear to be important in buffering the impact (Cashmore & Shackel, 2013). VSACT support for victims of crime helps them maintain family support and peer relationships for children who have experienced domestic violence and sexual abuse. This helps children avoid a life time in the justice system.

Childhood sexual abuse is associated with an array of emotional, behavioural and social difficulties (Cutajar, Ogloff, & Mullen, 2011), (Ogloff J. R., et al., 2012), (Fergusson & Mullen, 1999), (Gilbert, et al., 2009). Exploitative sexual experiences during childhood influences children's developmental trajectories and future offending (Connolly & Woollons, 2008). Sexual abuse victims are almost five times more likely than the general population to be charged with a criminal offense than a non-abused control group. They are also more likely to subsequently become victims of crime (Ogloff, et al., 2012) (Cutajar, Ogloff, & Mullen, 2011). Trauma history shows its strong influence on future offending behaviour (Moloney, van den Bergh, & Moller, 2009).

In Australia, persons who experienced childhood abuse are:

- twice as likely to experience violence as an adult compared to those who did not experience abuse (71% compared to 33%);
- three times more likely to experience partner violence as an adult than those who did not experience abuse (28% compared to 8.9%);
- more likely to report having a psychological or physical disability than those who did not experience childhood abuse; and
- likely to have lower levels of adult educational attainment, income and life satisfaction, and are more likely to report financial stress and poor health (Australian Bureau of Statistics, 2019).

This CBA values the VSACT support to children using reduced future police, court and prison costs. The research literature on justice system costs is summarised below.

Policing costs

(Browning, 2011, p. 31) based on (Mason & Robb, 2010) uses a value of $570 per Mornington Island Queensland Police call out in 2008–09 dollars. This is based on one car and two police officers for half day and is consistent with the staff cost per Queensland police officer of around $100,000 per year. A call out involving two cars, four police officers and one day to resolve and complete paper work would use economic resources valued at

$2,300 on average. A street offence involving one police officer for half a day and resulting in arrest would use economic resources valued at $212 on average (Mason & Robb, 2010, p. 55).

The economic resources used in issuing warrants and summons and laying charges varies with the time taken. A minor case (issuing warrants and summons, laying charges) using 3 days of police time (at $425 per day) is valued at $1,300 per case, a medium case using 10 days is valued at $4,250 per case and a major case is valued at $8,500 per case. Police resources used in preparing for court include $180 per day for custody or remand services (Mason & Robb, 2010, p. 55).

In this CBA, based on the research literature summarised above, police resources used are valued at **$500 per case** based on the more conservative of the estimates above.

Court costs

- (Lind, et al., 2002) estimate the value of economic resources used in NSW courts. For sentencing in a local court economic resources worth on average $200 are used. For appearances in the NSW Drug Court, pre-program appearances use economic resources worth on average $440, on program appearances $250 and termination appearances $840 (Lind, et al., 2002, p. 24).
- In Western Australia, economic resources used by magistrates are valued at $370 per hour and for administration at $51 per hour. The economic resources used by the WA court based Indigenous Diversion Program are estimated to be worth on average around $3,400 per client. The general cost of community supervision in 2005/2006 was $23.22 per day (Crime Research Centre, 2007, pp. 124-128).
- In Queensland, for major prosecutions taking 20 days, legal aid resources were valued at $9,000 per case. A Queensland Police prosecutor's time was valued at $550 per day (Mason & Robb, 2010, pp. 56-58). The average value of economic resources used per criminal finalisation in the Queensland Magistrates Courts was estimated at around $430 in 2013–14 (Steering Committee for the Review of Government Service Provision, 2015, p. Table 7A.34).
- (Browning, 2011, p. 31) based on (Mason & Robb, 2010), uses an economic value of $450 per case for Queensland legal aid for minor offences requiring one day in 2008–09 dollars.

In this CBA, based on the research literature summarised above, court resources used are valued at **$1,000 per case** based on the more conservative of the estimates above.

Prison Costs

- Substantial economic resources are spent on correctional custodial facilities in Australia. These resources are valued at annual average of $315 per prisoner per day for 2012–13 (Australian National Council on Drugs, National Indigenous Drug and Alcohol Committee & Deloitte Access Economics, 2013, p. viii).
- US survey data show that yearly average recurrent costs of imprisonment range from US$14,000 to US$60,000 per adult prisoner and US$40,000 to US$350,000 per juvenile detainee (Henrichson & Delaney, 2012) and (Justice Policy Institute, 2014).
- (McCausland, Baldry, Johnson, & Cohen, p. 5) estimate that in NSW a prisoner's interaction with the corrections system costs $9,235 per admission for an Indigenous juvenile and $4,658 per non-Indigenous. For adults the life-time cost per person is estimated as $361,238 per person rising to $450,000 per person for those with previous juvenile admissions. Case studies presented by McCausland *et al* (2013) estimate that over a lifetime the cost of prison and crisis support are as high as $1 million per annum per person.
- (Lind, et al., 2002, p. 32) estimate the value of economic resources used in NSW prisons. For women's imprisonment economic resources worth around an average of $220 per day are used and for men $170 per day. In contrast, supervision in the community uses economic resources worth only around $3 per day. The NSW Department of Correctional Services estimated that the resources it used to imprison the average prisoner were worth $188 per day in 2003–04 (Public Accounts Committee, 2005, p. 1).
- In NSW, in 2014, the operating and capital costs of imprisoning and adult was on average $250 per day but for juveniles this rose to an average of around $780 per day (Auditor-General, 2014, p. 14).
- The recurrent cost of imprisoning Queenslanders was around $180 per prisoner per day in 2013–14. Including capital costs increases this to around $300 per prisoner per day (Steering Committee for the Review of Government Service Provision, 2015, pp. Table 8A-7).

In this CBA, based on the research literature summarised above, prison resources used are valued at **$400 per day** based on the more conservative of the estimates above.

Taking the **police** costs identified above, the CBA assumes that 5% of the 1,609 children (80 children) accessing VSACT support avoid an interaction with the police saving $500 per interaction giving a total saving of $40,000. It is assumed that this interaction with the police would occur on average six years after the VSACT support. A benefit achieved six years in the future is not as valued as a benefit in the current year therefore the $40,000 is discounted by 8% per year (discount factor of 0.6302) giving a present value of **$25,000** per year.

Taking the **court** costs of $1,000 per case, the CBA assumes that 1% of the 1,609 children (16 children) accessing VSACT support avoid an interaction with the courts saving $1,000 per court on average six years after the VSACT support. A benefit achieved six years in the future is not as valued as a benefit in the current year therefore the $16,000 is discounted by 8% per year (discount factor of 0.6302) giving a present value of **$10,000** per year.

Taking the **prison** costs of $400 per day, the CBA assumes that 0.5% of the 1,609 children (8 children) accessing VSACT support avoid imprisonment saving $400 per day for 30 days giving a total saving of $96,000. It is assumed that this interaction with the prison system would occur on average six years after the VSACT support. A benefit achieved six years in the future is not as valued as a benefit in the current year therefore the $96,000 is discounted by 8% per year (discount factor of 0.6302) giving a present value of **$61,000** per year.

Summing all these justice system cost savings gives a **total** of **$96,000 per year**.

2023–32 Total Present Value: $0.7 million
(2023 dollars discounted by 8% over ten years).

Attachment G - Sensitivity Analysis: VSACT reduces the pain and suffering from crime (improving quality of life)

Sensitivity analysis in this attachment estimates the economic impact of VSACT using a crime-based approach. The research literature provides estimates of the economic cost of individual types of crime. This attachment derives a consensus estimate of the economic cost of these crimes and applies these average values to the types of crime experienced by VSACT supported victims.

Crime prevention has been described as securing a future non-event. VSACT is also securing a future non-event in the form of less damage to victims of crime. In this CBA it is assumed that VSACT reduces the pain and suffering cost of the crime for each victim by 20%.

The economic definition of a victim is best understood a someone whose property rights (for example the right to physical or sexual safety) have been taken from them without their voluntary agreement (Cohen M. A., 2020, p. 26). The value of the loss to the victim cannot be entirely found in a market price (requiring voluntary exchange). Therefore, other valuation techniques are required.

Early estimates of the cost of crime neglected the cost to victims (Martin & Bradley, 1964). The first estimates of the value of intangible quality of life (pain and suffering) costs to victims of crime became available in the US in 1988, when Mark Cohen examined a large dataset of jury awards from cases where victims sued perpetrators of non-fatal crimes (Cohen M. A., 1998).

Crime reduces quality of life (through pain and suffering) in addition to the increased cost of services (medical, housing, justice system, etc). It is becoming more common to include an economic estimate for human and emotional costs (pain and suffering) ensure this impact is not ignored in public policy. In the UK, the Home Office (for crime) and the Department for Transport (for road traffic accidents) include estimates of human and emotional costs.

The methodology to estimate these human and emotional costs is based on the public's 'willingness-to-pay' to avoid such trauma. In the 1980s countries began adopting WTP methodology to measure the human and emotional costs of road trauma, UK in 1988, Sweden in 1998, NZ and Canada in 1991 and the US in 1993 (Giles, 2003).. A 2004 study used a 'willingness to pay' methodology to estimate of the quality of life cost of crime (Cohen, Rust, Steen, & Tidd, 2004).

The 'willingness to pay' methodology asks the public what they would be willing to pay to reduce the likelihood of them becoming a victim of a specific crime, and then combines this with information about the risk of victimisation to calculate the implied cost of one crime. (Cohen, Rust, Steen, & Tidd, 2004) found that people are on average willing to pay $200 annually for a 10% reduction in break and enter in their community. This translates into an implied willingness to pay to prevent one instance of break and enter of $47,823. The technical details of the calculation are complicated and are set out in (Haab & McConnell, 1998). Willingness to pay can also be inferred from consumer behaviour, for example by analysing house prices, or the demand for goods relating to security or safety (Abelson, 2008). The property market has been used to measure the cost of crime (Thaler, 1978).

Willingness to pay methods are arguably more appropriate for cost of crime estimates because they accurately capture the surplus accruing to society when crimes are prevented (Cook & Graham, 1977). Because the people that are surveyed are both taxpayers and potential victims, most research assumes that willingness to pay measures estimate all the costs related to crime (quality of life and greater service use). Some studies of victims of crime include a component for emotional costs (Miller, Cohen, & Wiersema, 1996).

One major characteristic of willingness to pay is that it tends to be significantly higher than the Human Capital approach and cost saving methods (used the body in this CBA). There are many components of the cost of crime (for example medical costs, criminal justice system costs, property loss, and quality of life costs) and some of these costs are difficult to capture accurately or attribute them to specific crimes (for example fear of crime, reduced quality of life for non-victims, or reduction in investment in high-crime areas).

Willingness to pay measures are generally more comprehensive and are generally considered to be inclusive of all costs relating to crimes (Cohen, Rust, Steen, & Tidd, 2004). For example, willingness to pay estimates of the value of gun control attributed the higher value of individuals' willingness to not only prevent crime victimisation to themselves, but to others as well (Cook & Ludwig, 2000).

Economic values by type of crime

The unit costs used in this sensitivity analysis are derived from the human and emotional costs in summary tables below. For comparison the lost economic output from crime is included in the tables below. Clearly, human and emotional costs are much greater than lost economic output.

Assault

- For every woman whose experience of assault can be prevented, $20,766 in costs are avoided (National Council to Reduce Violence against Women and their Children, 2009).
- Stalking victimisation resulted in £21,920 in physical and emotional harm to an average victim (Heeks, Reed, Tafsiri, & Prince, 2018).
- Wounding: £1,160 in lost economic output (Brand & Price, 2000)
- Wounding: £7,640 in human and emotional costs (Brand & Price, 2000)
- Assault: $US19,472 in lost tangible economic output (McCollister, French, & Fang, 2010)
- Assault: $US95,023 in pain-and-suffering (McCollister, French, & Fang, 2010)
- Assault: $US1,500 in lost tangible economic output (Wallace, 1998, p. 85)
- Assault: $US7,800 in lost intangible pain-and-suffering (Wallace, 1998, p. 85)

Sexual assault/offence

- Rape: £15,150 in lost economic output (Brand & Price, 2000)
- Rape: £104,300 in human and emotional costs (Brand & Price, 2000)
- Rape: $US41,252 in lost tangible economic output (McCollister, French, & Fang, 2010)
- Rape: $US199,642 in pain-and-suffering (McCollister, French, & Fang, 2010)
- Rape: $US5,100 in lost tangible economic output (Wallace, 1998, p. 85)
- Rape: $US81,400 in lost intangible pain-and-suffering (Wallace, 1998, p. 85)

Robbery/Burglary/Theft/Aggravated robbery/ Home invasion

- Robbery: $US21,373 in lost tangible economic output (McCollister, French, & Fang, 2010)
- Robbery: $US22,575 in pain-and-suffering (McCollister, French, & Fang, 2010)
- Robbery: $US5,200 in lost tangible economic output (Wallace, 1998, p. 85)
- Robbery: $US81,400 in lost intangible pain-and-suffering (Wallace, 1998, p. 85)

Homicide/manslaughter

- Homicide: £393,580 in lost economic output (Brand & Price, 2000)
- Homicide: £750,640 in human and emotional costs (Brand & Price, 2000)
- Murder: $US1,285,000 in lost tangible economic output (McCollister, French, & Fang, 2010)
- Murder: $US8,442,000 in pain-and-suffering (McCollister, French, & Fang, 2010)
- Murder: $US1,030,000 in lost tangible economic output (Wallace, 1998, p. 85)
- Murder: $US1,910,000 in lost intangible pain-and-suffering (Wallace, 1998, p. 85)

Fully informed policy making regarding victims of crime requires estimates of the full cost of crime including the human and emotional costs. These costs are substantial and their consideration is necessary for understanding VSACT policy impacts. Cohen argues that failing to estimate the costs of pain and suffering underestimates the impact of crime and leads to inappropriate policy decisions (Cohen M. A., 1988). Weber found that in Australia, estimates of the cost of crime were typically undervalued (Webber, 2010).

Therefore, this CBA uses these more comprehensive estimates of the cost of crime to include pain and suffering in the base case values used above as an exercise in sensitive analysis (Dolan, Peasgood, & White, 2008).

Table 11: In 2021–21, VSACT VSS clients suffered from different types of crime.

Type of Crime	Percentage of total crimes	Number of Victims	Unit cost $	Total cost $m
Family violence	50%	722	100,000	72.2
Assault	13%	188	100,000	18.8
Sexual offence	11%	159	200,000	31.8
Other	10%	145	10,000	1.5
Crime not disclosed/not a crime	9%	130	10,000	1.3
Aggravated robbery/home invasion	5%	72	100,000	7.2
Homicide/manslaughter	2%	29	5,000,000	70.0
Total	**100%**	**1,445**		**202.8**

Source: ACT Human Rights Commission, Annual Report 2021–22, p 51 and literature survey.

Table 12: In 2021–21, VSACT FAS clients suffered from different types of crime.

Type of Crime	Percentage of total crimes	Number of Victims	Unit cost $	Total cost $m
Family & Domestic Violence	41%	152	100,000	15.2
Assault	25%	92	100,000	9.2
Historic family violence/sexual assault	11%	41	200,000	8.2
Sexual assault	10%	37	200,000	7.4
Other	7%	26	10,000	0.3
Burglary/Robbery/Theft	4%	15	100,000	1.5
Homicide	2%	7	5,000,000	35.0
Total	**100%**	**370**		**76.8**

Source: ACT Human Rights Commission, Annual Report 2021–22, p 54 and literature survey.

Adding the VSS with the FAS gives a total of $238.7m for total pain and suffering cost of the crimes experienced by the victims of crime (or their families) supported by VSACT. Assuming the VSACT support reduces the cost to victims by a conservative 20%, VSACT support creates $47,740,000 in benefits each year and a present value of **$429.3 million** over the period 2023 to 2032 in 2023 dollars.

Another approach is to use the literature on the economic costs of unemployment to value the impact of VSACT.

Well-being benefits of employment

While greater output from increased employment is commonly included in Cost Benefit Analysis there are also direct non-monetary benefits to people gaining or retaining employment (or losses from unemployment) (Adler, 2013). Regardless of the loss of wages, unemployment also carries with it significant hedonic and transition costs. Workers who lose their jobs typically suffer substantial hedonic penalties – the loss of a great deal of happiness that persists even after they have found new employment. They are also more likely to suffer a variety of health problems and to die earlier, even controlling for their lower income. Additionally, the worker's dependents typically suffer costs and losses from the worker's unemployment (Posner & Masur, 2012, p. 2). Increasing employment would reverse these losses into benefits.

The happiness impacts of employment/unemployment have been measured and valued using happiness surveys. In Great Britain and the United States compensation of US$60,000 is required to restore the happiness of unemployed men to the level of the employed (Blanchflower & Oswald, 2004). These happiness improvements from reduced unemployment are not included in this CBA making our estimate of total benefits a conservative under-estimate. This strengthens our conclusion that VSACT has net positive impact on Canberra's economic welfare.

Victims of crime supported by VSACT will improve their happiness. Assuming, based on the employment impacts on happiness research, a gain valued at $10,000 per victim for the 1,990 victims supported each year (from Attachment E) gives an annual benefit of $19,900,000 and a present value of **$170.5 million** over the period 2023 to 2032 in 2023 dollars.

Both these approaches make very substantial additions to the base case NPV of **$195.3** million over the period 2023 to 2032 in 2023 dollars.

This sensitivity analysis suggests that the base case is a very conservative estimate of the benefit of VSACT to Canberra.

VICTIMS OF CRIME COMMISSIONER
ACT Human Rights Commission

A Cost Benefit Analysis of Victim Support ACT

"Those words that I'm believed — I cannot even articulate the healing that this brings."

– VSACT Client



What is Victim Support ACT (VSACT)?

VSACT delivers advocacy, therapeutic and support services for victims of crime and other affected persons, including family members. VSACT also administers the Financial Assistance Scheme, which provides financial assistance to victims of crime and the ACT Victims Register, which provides information to victims about offenders after a court finding.

What are the repercussions of being a victim of crime?

Victims of crime, and their families face serious consequences including physical, psychological, social and economic harms. Victims of crime can experience feelings of fear, anxiety, depression, suicidality, helplessness, distress, anger and distrust that can last for years. This leads to lower levels of wellbeing and reduced opportunities in education, employment, personal relationships, parenting, and financial stability. All of which results in substantial economic costs.

How does VSACT support victims of crime?

In the ACT, there is a Charter of Rights for Victims of Crime to protect and promote the rights of victims in the criminal justice system. VSACT supports victims of crime to access their rights and entitlements to assist with their recovery from harm. VSACT ensures victims are heard and promotes their rights to recognition, dignity, choice, justice and safety in the aftermath of crime. By doing this, VSACT helps people to recover and to more fully participate in, enjoy, and contribute to, the ACT community.

What is a Cost Benefit Analysis?

Cost Benefit Analysis (CBA) works by placing monetary values on the costs and benefits associated with a particular project or service. Costs are the expenses incurred in the operation of a project or service. Benefits can be either cost savings, or productive benefits to individuals or the community and are things that can be measured, such as the number of jobs created, increases in hours worked or the number of young people completing high school.

What makes a CBA useful?

CBA is a helpful tool to aid decisions about the allocation of resources. It does this by considering the impact of a project or service on the community as a whole, rather than just focusing on particular individuals or groups. Where the benefits are greater than costs, then it makes good economic sense to invest in the project or service.

Why do a Cost Benefit Analysis of the work of VSACT?

Government's resources are limited, so when it allocates them to a program those resources cannot be used for any other purpose. It is important to know if resources are being used on economically efficient programs that benefit the whole community. In 2023, VSACT decided to commission an independent cost benefit analysis to assess the range of economic costs and benefits associated with its work with victims.

Every dollar used by Victim Support ACT delivers $2.00 in benefits. This is an excellent result.*

What did the CBA find?

Economists, Emeritus Professor Anne Daly, Greg Barrett and Rhys Athaide and researcher, Rhiân Williams took a rigorous approach to identifying and assigning values to the costs and benefits arising from the work of VSACT. They found investing in VSACT directly strengthens the capacity of victims to recover from the impacts of crime. This leads to a range of benefits, including improved educational and employment outcomes for victims of crime and their families.

Many of these benefits are experienced by children who may themselves have been a victim of crime or cared for by someone who has been the victim of a crime. VSACT also reduces the use of other government agencies, such as housing, mental health services, police, courts, hospitals and out-of-home care, leading to cost savings. Doing this, frees scarce resources for other users.

How robust are the CBA results?

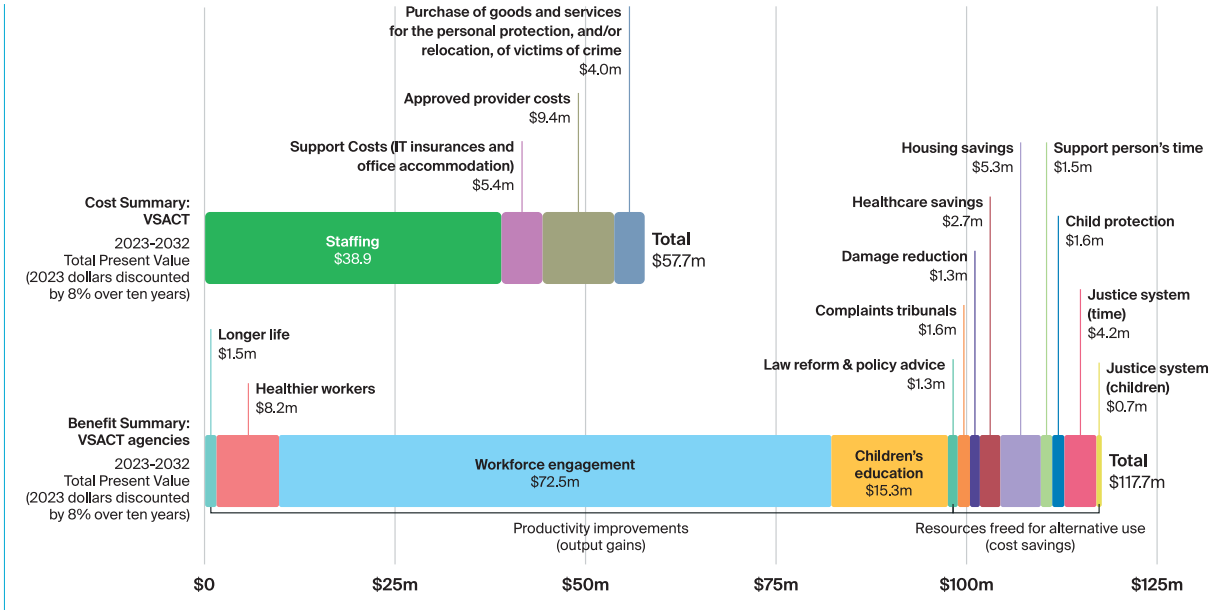
This CBA draws on a range of economic research and uses very conservative estimates of benefits, along with a higher than standard discount rate for this kind of project.[1] The economists also applied a sensitivity analysis to further address the risk that the benefits might have been overstated. This found that, even assuming a 25% reduction in benefits, there was still a significant positive return on investment and VSACT remains well worth supporting on economic grounds.

Does VSACT represent good value for the ACT?

The CBA has found that VSACT delivers substantial economic benefits exceeding its costs. The Net Present Value of VSACT is $59.0 million in 2023 dollars. This means that an estimated benefit of $2.00 is returned for each dollar of cost.[2] Comparatively this is a high ratio of benefits to costs.* In summary, VSACT improves the quality of life, wellbeing, and output of ACT residents and is an excellent use of ACT economic resources.

What does the graph show and why are the figures estimated 10 years into the future and discounted by 8%?

The following graph shows the costs and benefits associated with VSACT. They are shown as an estimate from 2023 to 2032, valued in 2023 dollars and discounted by 8%. Ten years is a good timeframe when considering costs and benefits because it gives sufficient time to analyse the future impacts of the work of VSACT. Values in the CBA are discounted by 8% each year to reflect that a dollar's worth of goods or services today, is of more value to consumers, than a dollar's worth of goods and services in the future.



Note: The benefits estimated above are cost savings or productive benefits. They do not include any benefits associated with alleviating the pain and suffering impacts of being a victim of crime. Using Contingent Valuation techniques and assuming a 20% reduction in the pain and suffering due to VSACT intervention would see the benefit cost ratio increase to 9:1.#

1 The choice of discount rate is not simply an economic one. Governments also need to consider equity and social welfare along with efficiency in deciding what to invest in. Therefore they might choose to select investments using a lower discount rate particularly when there are inter-generational benefits. In line with feedback provided, this cost benefit analysis uses an 8% discount rate as the base case. This rate assumes the same risk of bankruptcy applies to both commercial and government projects. A 2% discount rate based on economic fundamentals (government interest rate and inflation rate) and which reflects the value of programs and initiative that support equity and social welfare is presented as part of the sensitivity analysis.#

2 If the more standard 2% discount rate is used the benefit cost ratio increases to 3.5:1.#

For further details please see the sensitivity analysis in the full report Page 50.

* An OECD publication notes: A ratio below 1 is considered poor, a ratio between 1 and 1½ low, a ratio between 1½ and 2 medium and a ratio above 2 high (Persson & Song 2010:33). For comparison, the South Australian Centre for Economic Studies (2010:95) estimates a benefit cost ratio of Opal fuel at 3.7 and PricewaterhouseCoopers (PwC 2019) estimates a benefit cost ratio of early childhood education and care as 2.0., the ACT Auditor General (Audit ACT 2021) notes the ACT Government estimates a benefit cost ratio for the tram of 1.2 and KPMG (KPMG 2024) estimates a benefit cost ratio for the ACT Drug and Alcohol Sentencing List of 0.87.

Endnotes

1 There are a range of terms used to refer to people who have experienced crime. Some prefer the term 'victim', others 'victim-survivor' – which acknowledges the ongoing effects of crime-related harm, and the strength and resilience of survivors, others prefer a different term. The term 'victim' is used in this CBA as it is consistent with Victim Support ACT's governing legislation and relevant legal definitions.

2 These statistics come from survey data and include crimes unreported to police.

3 It is important to note that not all these crimes create unique victims. Repeat victimisation means the number of crimes is greater than the number of victims (Australian Institute of Criminology, 2003).

4 Conservation of Resources Theory COR describes the motivation that drives humans to both maintain their current resources and to pursue new resources. This theory was proposed by Dr. Stevan E. Hobfoll in 1989 expanding on the literature of stress as a construct. Hobfoll posited that psychological stress occurred in three instances; when there was a threat of a loss of resources, an actual net loss of resources, and a lack of gained resources following the spending of resources. From this perspective, resources are defined as things that one values, specifically objects, states, and conditions. COR states that loss of these types of resources will drive individuals into certain levels of stress.

5 Rights based approaches to human life embodied in ethics, law and religion regard human life as priceless. Therefore, the economic value of a human life is only a portion of its wider value.

6 Clearly there will be a wide variation in individual response to improved education attainment but the average increase of 0.5% is very conservative.

7 The 7 per cent rate is an estimate of the average before-tax rate of return to private capital in the U.S. economy, based on historical data. It is a broad measure that reflects the returns to real estate and small business capital as well as corporate capital. It approximates the opportunity cost of capital, and it is the appropriate discount rate whenever the main effect of a regulation is to displace or alter the use of capital in the private sector.

The 3 per cent discount rate is based on a recognition that the effects of regulation do not always fall exclusively or primarily on the allocation of capital. When regulation primarily and directly affects private consumption, a lower discount rate is appropriate. The alternative most often used is sometimes called the "social rate of time preference." The real rate of return on long-term government debt may provide a fair approximation. Over the last thirty years, this rate has averaged around 3 per cent in real annual terms on a pre-tax basis.

Private market rates provide a reliable reference for determining how society values time within a generation, but for extremely long time periods no comparable private rates exist. If the regulatory action will have important intergenerational benefits or costs, the agency might consider a sensitivity analysis using a lower but positive discount rate, ranging from 1 to 3 per cent (United States Office of Management and Budget, 2003, p. 11).

8 The authors note that the OIA recommends use of a 7% real discount rate and states the use of an 8% discount rate is acceptable. See: Page 7 https://oia.pmc.gov.au/sites/default/files/2021-09/cost-benefit-analysis.pdf. The report authors used the 8% discount rate to align with the feedback provided.

9 See: Page 7 https://oia.pmc.gov.au/sites/default/files/2021-09/cost-benefit-analysis.pdf.

10 Transfer payments are also excluded from the calculation of Gross Domestic Product.

11 Merit goods and services create positive externalities when consumed and these 3rd party spill over benefits can have a significant effect on social welfare. In a free market economy consumers only take into account private benefits when consuming merit goods. This means that they are under-consumed (and so under-produced). This is due to two main reasons:

When consumed, a merit good creates positive externalities (an externality being a third party/spill-over effect which arises from the consumption or production of the good/service). This means that there is a divergence between private benefit and public benefit when a merit good is consumed.

Individuals are myopic, short-term utility maximisers and do not consider the long-term benefits of consuming a merit good and so they are under-consumed.

12 The human capital approach values the economic productivity of human life as the present value of expected future earnings (Schultz, 1997).

13 The VSACT support to victims of crime reduces repeat offences and thereby reduces the resources used in the justice system. However, the VSACT support to victims of crime results in greater reporting of crimes to the police. It is assumed that these two impacts balance each other and they are not included in this CBA. A meta-analysis of 31 interventions (similar to VSACT) found that crimes decreased by 15.5% with the intervention compared to without (Grove, Farrell, Farrington, & Johnson, 2012).

DBW ECONOMICS