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?

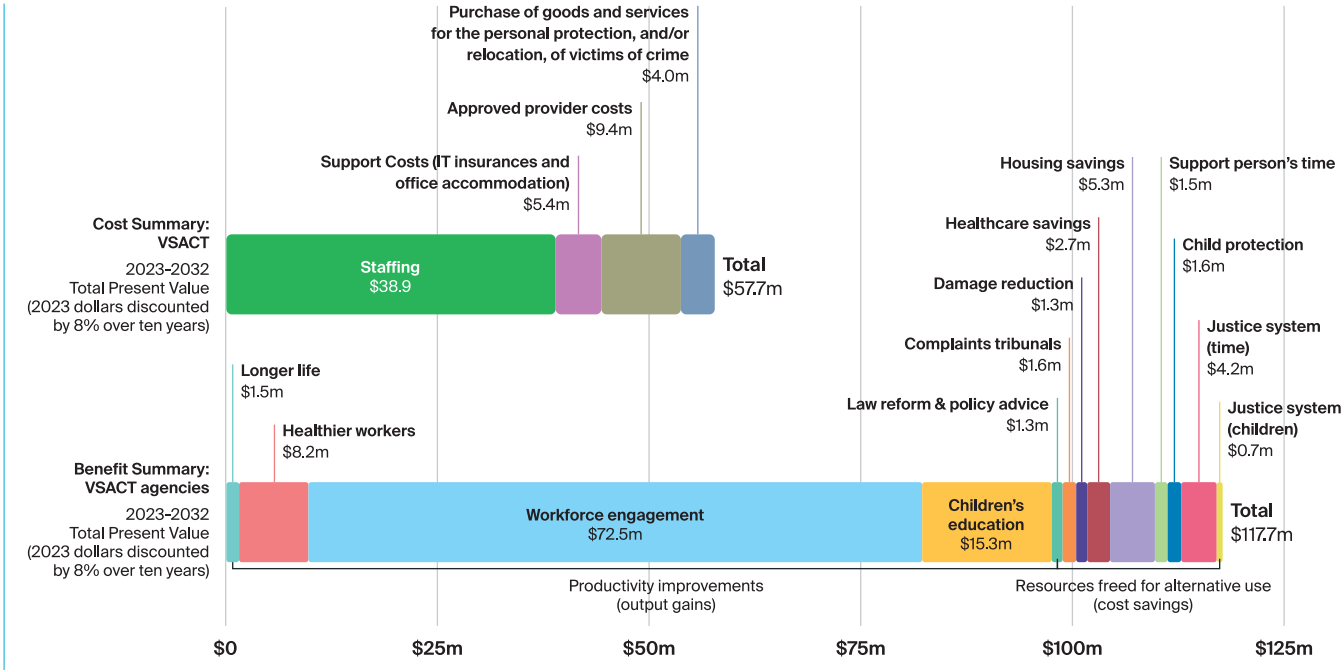
This CBA draws on a range of economic research and uses very conservative estimates of benefits, along with a higher than standard discount rate for this kind of project.[1] The economists also applied a sensitivity analysis to further address the risk that the benefits might have been overstated. This 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.