

EQUITY ECONOMICS

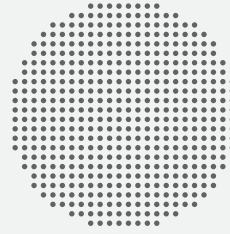
# NOWHERE TO GO

THE BENEFITS OF  
PROVIDING LONG-TERM  
SOCIAL HOUSING  
TO WOMEN THAT HAVE  
EXPERIENCED DOMESTIC  
AND FAMILY VIOLENCE



JULY 2021





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## ABOUT EQUITY ECONOMICS

Equity Economics is an Australian based economic consultancy committed to providing quality economic analysis and policy advice to the not for profit, corporate and government sectors. With the aim of providing organisations with access to the skills and expertise required to deliver effective strategies and influence policy debates, Equity Economics' expertise includes economic analysis, policy advice, research, advocacy and strategy on some of Australia's most complex economic and social policy challenges.

The unique focus of Equity Economics on addressing issues surrounding inequality drives passion for inclusive growth, equality of opportunity and stronger bilateral and multilateral relationships. Equity Economics strives to bolster development and shared prosperity in our region and internationally.

### ACKNOWLEDGEMENT OF COUNTRY

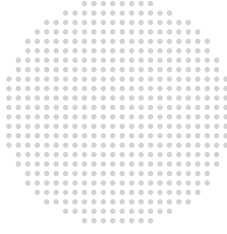
Equity Economics acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Owners of Country throughout Australia and their continuing connection to both their land and seas. We also pay our respects to Elders – past and present – and generations of Aboriginal and Torres Strait Islander peoples now and into the future.

**COVER PHOTO:** DOMESTIC VIOLENCE VICTORIA

THIS RESEARCH GENEROUSLY SUPPORTED BY:



**WOMEN'S HOUSING ALLIANCE**, a network of Victorian women's services advocating for improved housing and support for women escaping domestic and family violence.



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# THE BENEFITS OF PROVIDING LONG-TERM SOCIAL HOUSING TO SURVIVORS OF DOMESTIC AND FAMILY VIOLENCE

Domestic and family violence makes a woman's home the least safe place she can be, and getting to safety often means finding somewhere new to live. But a lack of available social and affordable housing drives many women to return to their perpetrators and the risk of violence, or into homelessness.

PHOTO: HEATHER DINAS

## **AS THE AUSTRALIAN GOVERNMENT PREPARES TO CONVENE THE NATIONAL WOMEN'S SAFETY SUMMIT, ANALYSIS BY EQUITY ECONOMICS FINDS:**

- Family and domestic violence is the primary reason women and children seek specialist homelessness services, but only 3.2% are currently receiving the long-term housing solutions they need.
- Family and domestic violence is the leading cause of homelessness for women and children.
- Comparing March 2020 and March 2021 there was a 5.9% increase in the number of women seeking specialist homelessness services that had experienced domestic violence, compared to a 0.4% decrease across all other client groups.
- Based on pre-pandemic incidence of domestic and family violence each year approximately:
  - 7,690 women a year are returning to perpetrators due to having no-where affordable to live.
  - Approximately 9,120 women a year are becoming homeless after leaving their homes due to domestic and family violence and being unable to secure long-term housing.
- There is an immediate need for an additional 16,810 social housing units to provide women somewhere to go when their only option is to leave their homes due to domestic and family violence.
- The provision of 16,810 social housing units would:
  - Cost up to \$7.6 billion, with costs to Government potentially lower through the use of community housing providers and other innovative financing models.
  - Deliver immediate economic benefits of \$15.3 billion and create 47,000 jobs across the economy.
  - Would avoid \$122.5 million in a year in costs due to women returning to a violent partner.
  - Would avoid \$257 million in a year in costs due to women experiencing homelessness after leaving their homes due to family and domestic violence.

# CONTENTS

|   |           |
|---|-----------|
| <b>THE ISSUE.....</b>   | <b>7</b>  |
| <b>Covid-19 and increasing rates of domestic violence .....</b> | <b>9</b>  |
| <b>HAVING SOMEWHERE TO GO .....</b>                             | <b>10</b> |
| <b>Children and domestic violence .....</b>                     | <b>13</b> |
| <b>HAVING NOWHERE TO GO .....</b>                               | <b>14</b> |
| <b>Returning to a violent partner .....</b>                     | <b>14</b> |
| <b>Homelessness.....</b>  | <b>15</b> |
| <b>ECONOMIC BENEFITS OF INVESTING IN SOCIAL HOUSING .....</b>   | <b>18</b> |
| <b>COSTS OF DOMESTIC VIOLENCE.....</b>                          | <b>20</b> |
| <b>COSTS OF HOMELESSNESS .....</b>                              | <b>22</b> |
| <b>CONCLUSION .....</b>   | <b>23</b> |
| <b>APPENDIX – METHODOLOGY .....</b>                             | <b>24</b> |
| <b>FOOTNOTES.....</b>   | <b>29</b> |

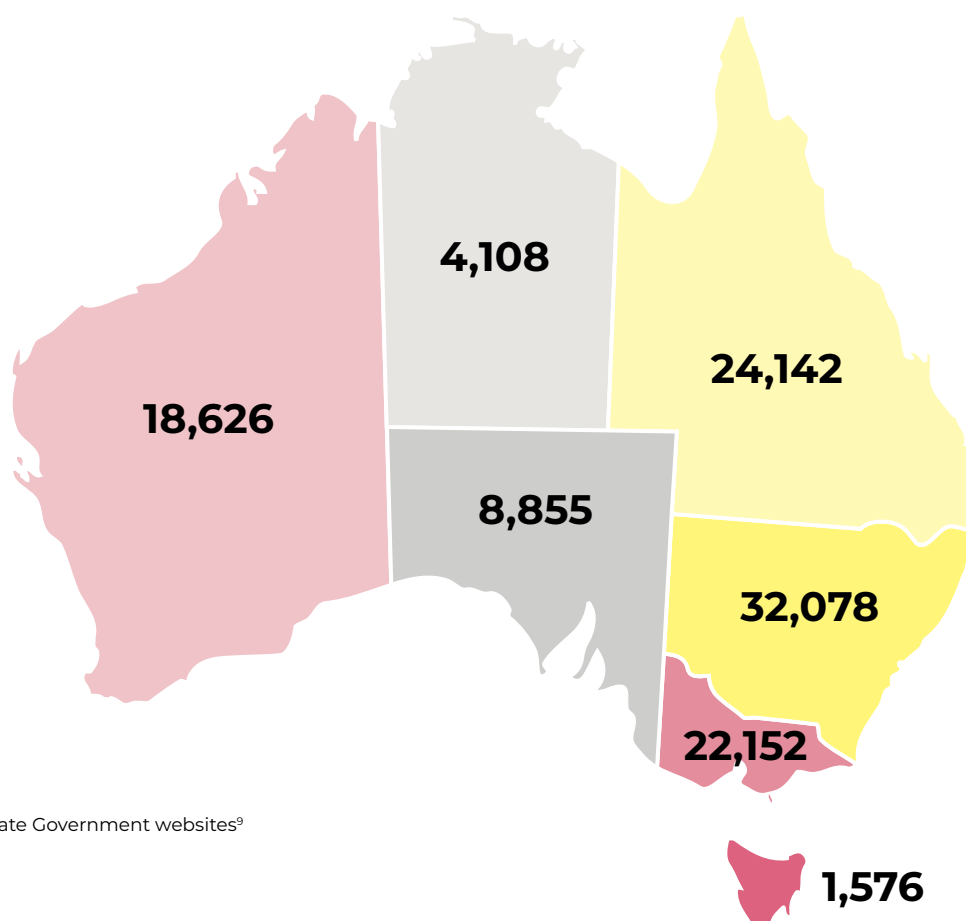
# THE ISSUE

While rates of violence in the community have fallen dramatically over the past 15 years, rates of family and domestic violence have remained unchanged.<sup>1</sup> Domestic violence is any form of “physical violence, sexual violence and emotionally abusive, harassing or controlling behaviour” by an intimate partner or family member.<sup>2</sup>

Once viewed as a less serious form of violence, there is now recognition that family and domestic violence has a profound impact on victims, and it has become a priority area for governments and society.

- 1 in 6 women have experienced physical or sexual violence by a current or previous partner since the age of 15.<sup>3</sup>
- 1 in 16 men have experienced physical or sexual violence by a current or previous partner since the age of 15.<sup>4</sup>
- A woman was murdered every 10 days by an intimate partner in 2018-19.<sup>5</sup>
- Aboriginal and Torres Strait Islander people were 32 times more likely to be hospitalised for family violence than non-Indigenous people in 2016-17.<sup>6</sup>
- Family and domestic violence costs \$22 billion per year.<sup>7</sup>
- In 2019-20 across Australia there were 112,509 family and domestic violence related incidents recorded by police. Due to underreporting it is estimated that this only represents 40% of actual crime levels.<sup>8</sup>

**FIGURE 1** REPORTS OF FAMILY AND DOMESTIC VIOLENCE TO POLICE 2019-20



Source: Various State Government websites<sup>9</sup>

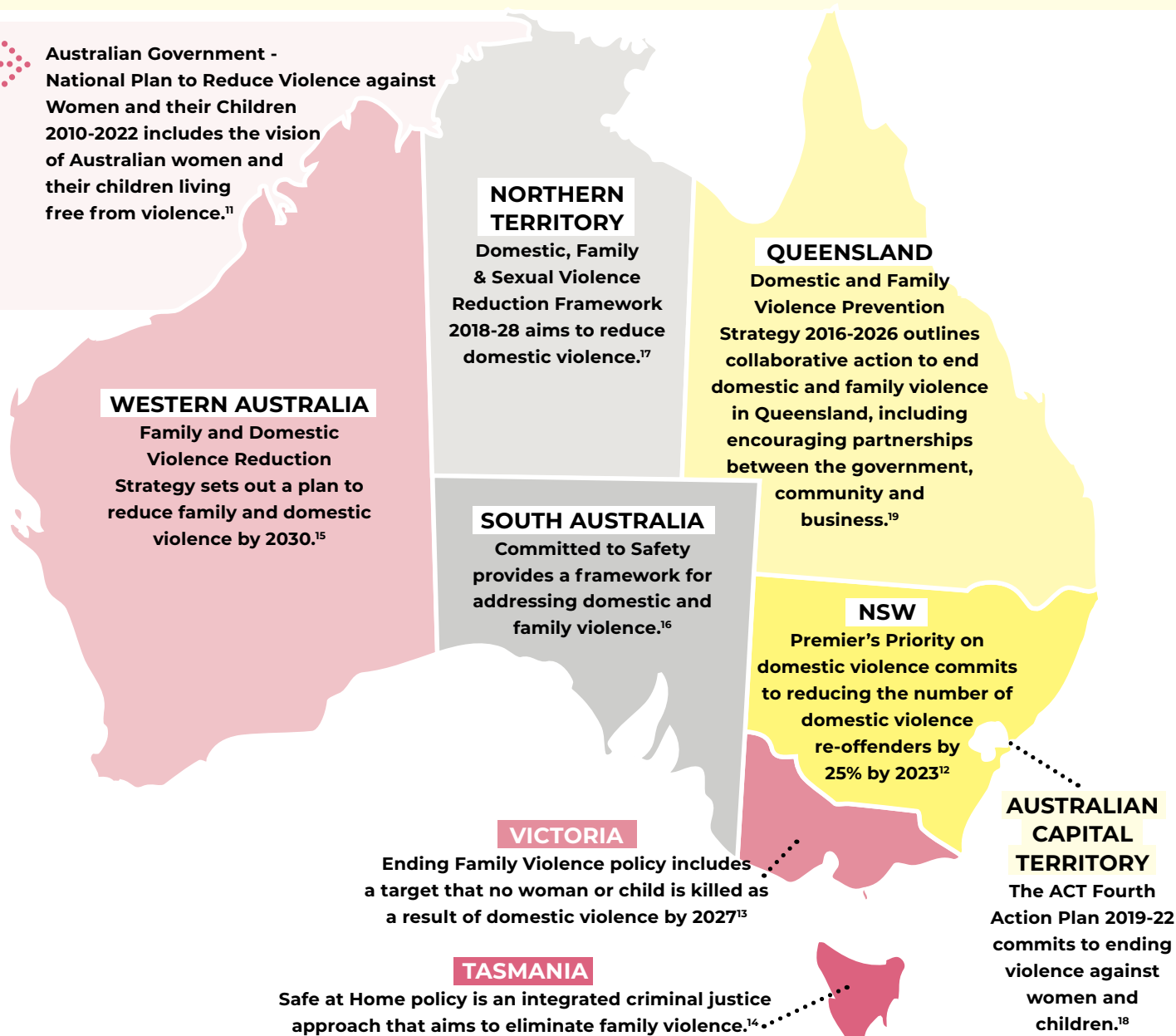




Australian governments and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations – Closing the Gap target is to reduce the rate of family violence and abuse against Aboriginal and Torres Strait islander women and children by 50% in 2031, and progress towards zero.<sup>10</sup>



Australian Government - National Plan to Reduce Violence against Women and their Children 2010-2022 includes the vision of Australian women and their children living free from violence.<sup>11</sup>



Preventing family and domestic violence requires investment in programs that educate the community about the importance of respectful relationships and enhance gender equity more broadly.

However, there is also a need to ensure that people experiencing family and domestic violence are able to escape violent relationships and be safe from further violence. For this to occur, there is a need for specialist domestic violence and homelessness services to provide the support women need to achieve safety, strong police and law enforcement, and options for alternative housing where a woman staying in her home is not a viable option.

Women also require support to address the long-term economic, psychological and health impacts of experiencing family and domestic violence.

Governments at all levels have expressed a commitment to addressing the persistently high level of family and domestic violence in Australia.

The National Women's Safety Summit presents an opportunity for all levels of government and stakeholders to discuss and share learnings from these strategies, and contribute to the formulation of the next National Plan to Reduce Violence Against Women.



## Covid-19 and increasing rates of domestic violence

Evidence from the aftermath of previous disasters shows that rates of domestic violence rise.<sup>20</sup> The COVID-19 pandemic raised particular concerns because during lockdowns women and children were isolated with offenders in their homes, and there were constraints on movement and social interaction.

In May 2020 the Australian Institute of Criminology surveyed over 15,000 Australians and found a large increase in women experiencing domestic abuse for the first time, as well as an increase in overall rates of abuse.

TWO-THIRDS OF WOMEN WHO REPORTED EXPERIENCING DOMESTIC VIOLENCE IN THE PREVIOUS THREE MONTHS, DID SO FOR THE FIRST TIME OR EXPERIENCED AN ESCALATION IN THE FREQUENCY AND SEVERITY OF PRIOR VIOLENCE.<sup>21</sup>

Aboriginal and Torres Strait Islander women, younger women (aged 18 to 24), women with a restrictive health condition, pregnant women, and women who are in financial stress were more likely to experience physical and sexual violence.<sup>22</sup>

Compared to 2019, in 2020 there was a 9% increase in reports of domestic violence to the Police, however the elevated impacts from the pandemic are likely to be longer lasting.<sup>23</sup>

Comparing March 2020 and March 2021 there was a 5.9% increase in the number of women seeking specialist homelessness services that had experienced family and domestic violence, compared to a 0.4% decrease across all other client groups.<sup>24</sup>

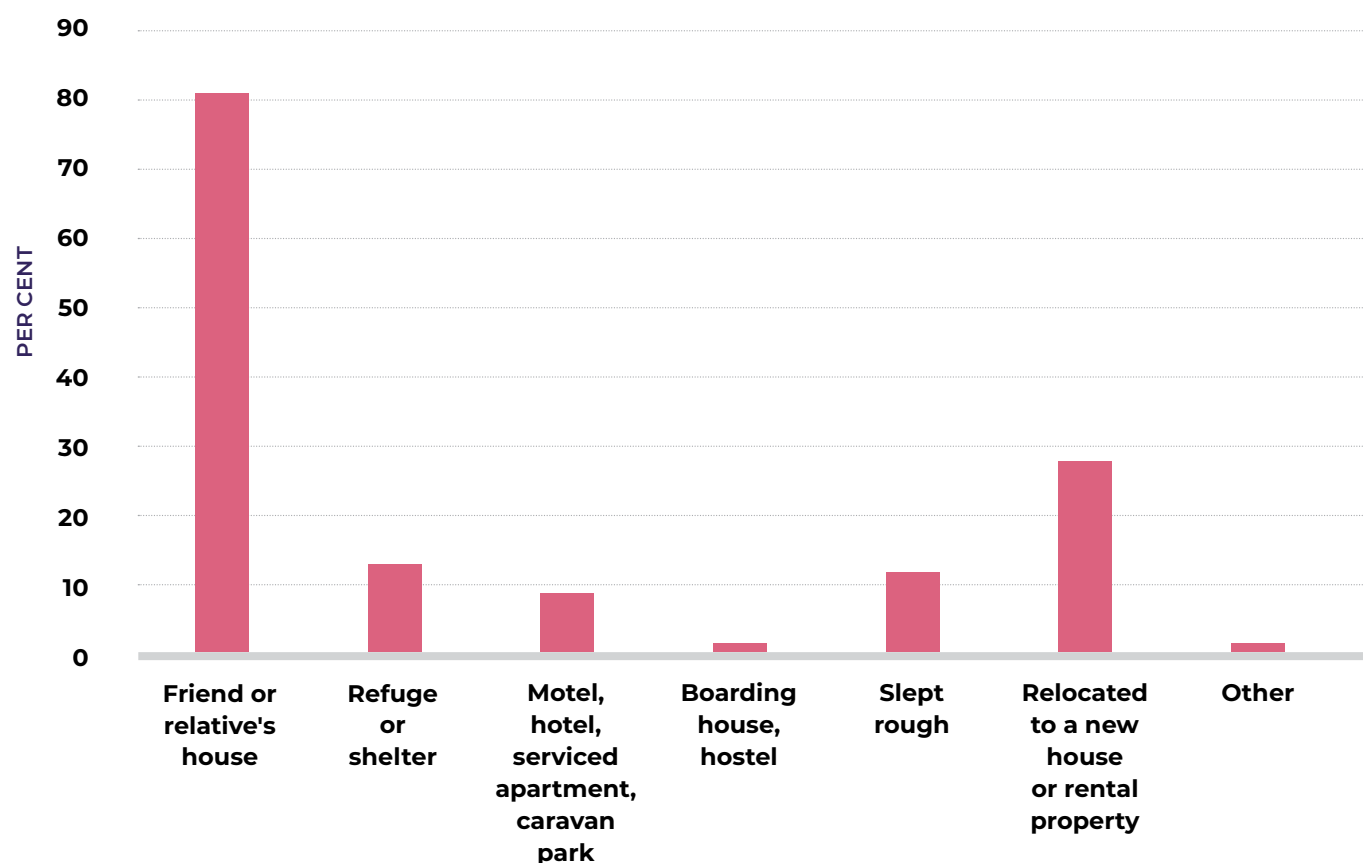


# HAVING SOMEWHERE TO GO

Stable housing is critical for women to build a safe life, as it promotes both safety and wellbeing, including for children. While ideally when situations of family and domestic violence arise women would be able to stay in their homes, and perpetrators would be removed, the reality is that many women need to leave their home to find safety.

Women escaping family and domestic violence have three options: buying their own home, social housing and private rental.<sup>25</sup> Buying their own home is unrealistic for most women, leaving social housing and private rental the only viable options.

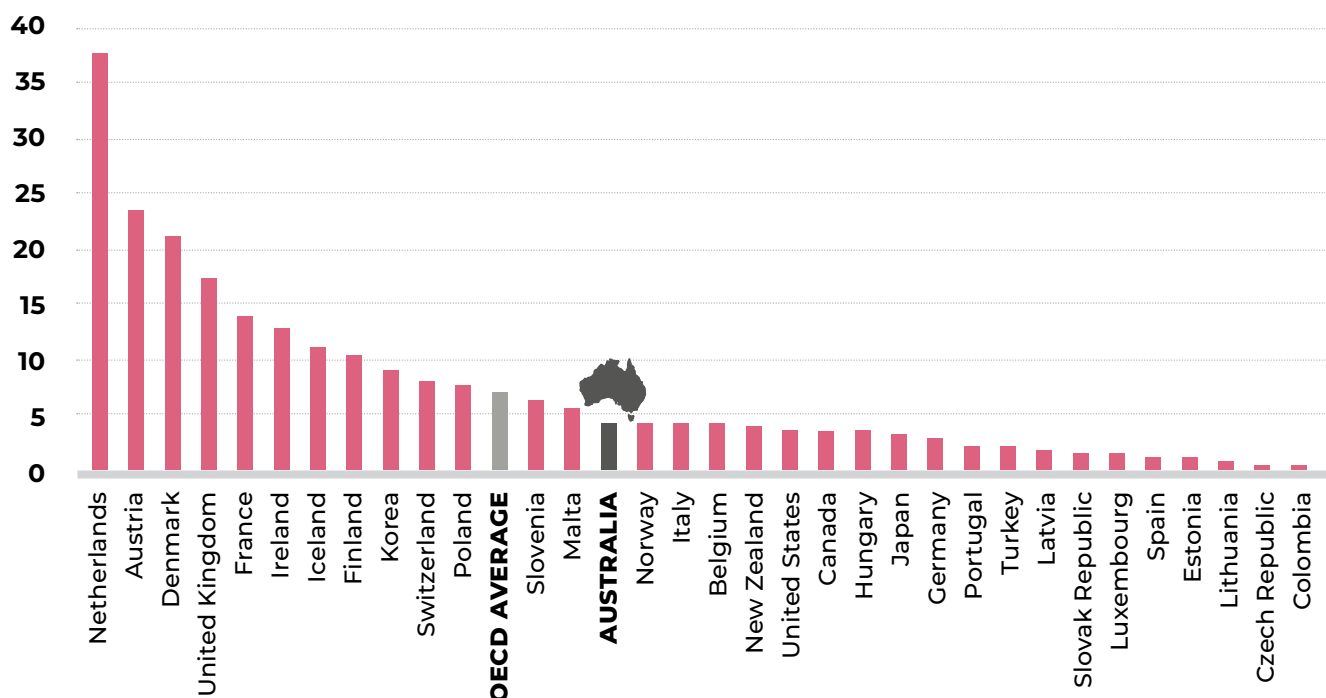
**FIGURE 2** WHERE WOMEN GO



**Source:** Australian Bureau of Statistics (2016) **Note:** Components for all places stayed during temporary separations are not able to be added together to produce a total. Where a person has stayed in more than 1 place, they are counted separately for each place.

The lack of social housing is well documented, with an underinvestment in social housing over the past two decades leaving Australia well short of the OECD average in the provision of social housing. In 1991 social housing stock stood at 7.1 per cent of total housing in Australia, and by 2018 this had fallen to 4.2 per cent.<sup>26</sup> This is 2.9 per cent below the latest available OECD average.

**FIGURE 3** SOCIAL HOUSING AS A % OF TOTAL HOUSING STOCK ( 2020 OR LATEST AVAILABLE )



Source: OECD, Affordable Housing Database

**People [are] going back to partners because they can't achieve another housing outcome.** And I mean, years ago, that wasn't the case. You could always, especially with DV and if children were involved, you could get people housed. But there's just nothing – the pressure is massive. **SPECIALIST HOMELESS SERVICE WORKER<sup>27</sup>**

The private rental market often does not provide affordable options for women escaping family and domestic violence. While a number of state government programs exist to facilitate access, supply of family accommodation in many markets remains out of reach.<sup>28</sup> Many women with children are relying on social security support, which even with additional allowances is not adequate to afford family accommodation in many markets.<sup>29</sup>

Even where housing is available, women with children that have experienced domestic violence can face discrimination from landlords that preference childless couples with stable incomes in tight rental markets. Access can be further

complicated where women have poor rental or credit records due to the behaviour of ex-partners.<sup>30</sup>

People experiencing domestic and family violence require an integrated range of interventions. Across Australia, state and territory governments have attempted to strengthen access to services available to support women and children leaving family and domestic violence.<sup>31</sup> However, these systems can be complicated and difficult to navigate. And ultimately the lack of secure and affordable housing leaves many women and children with nowhere to go.









## Children and domestic violence

Of women who experience domestic violence, more than 50% have children in their care.

There are many long-term costs associated with family and domestic violence for children including:<sup>32</sup>

- Emotional and social issues
- Anxiety and depression
- Coming into contact with the youth justice system for their own behaviours
- Poor educational outcomes
- Poor employment outcomes
- Suicide ideation
- Homelessness

The cost of violence against children and young people has been estimated at \$11.2 billion for NSW,<sup>33</sup> which if extrapolated to Australia would imply around \$30 billion each year.

The first national study of child abuse and neglect in Australia, being conducted from 2019–2023 by Queensland University of Technology will provide more evidence on the impact of family and domestic violence on children.

VICKY AND DAUGHTER **PHOTO:** ELIZABETH CLANCY

# HAVING NOWHERE TO GO

Of the 39,000 people that sought long-term housing from specialist homelessness services in 2019-20 after experiencing family and domestic violence, only 1,233 received long-term housing.<sup>34</sup> 37,867 people missed out on long-term housing. While some may have secured private rental accommodation, others will have returned to live where their perpetrator, or become homeless.

## Returning to a violent partner

Findings from the 2016 Personal Safety Survey found that over 80,000 women have previously left a current violent partner only to return. There are many reasons given for returning, including not having anywhere to live, and not having sufficient financial resources.

**TABLE 1** REASONS FOR RETURNING TO VIOLENT PARTNER

| REASONS  | %    |
|--|------|
| Partner promised to stop assaults and/or threats | 49.4 |
| No money/financial support                       | 12.2 |
| Nowhere else to go                               | 7.3  |
| Concern for children's safety or well-being      | 10.0 |
| Concern for own safety or well-being             | 2.4  |
| Ashamed or embarrassed                           | 12.2 |
| Wanted to try and work things out                | 58.1 |
| Cultural or religious reasons                    | 3.9  |

Based on current rates of family and domestic violence, Equity Economics estimates that 7,690 women have returned to a current violent partner due to a lack of affordable housing options. (See Appendix for methodology)<sup>35</sup>

### Vicky left her violent partner twice, but chose to return instead of face homelessness with her children.

Vicky Vacondios knew it was time to leave.

"The violence was getting worse, and he was saying he would take the kids.

When Vicky fled she had two boys aged four and seven, and was pregnant with her third child.

She didn't expect that after years of enduring a violent relationship there was worse to come.

The "horror" of homelessness was a nightmare.

We went into a communal women's refuge. There was no clear prospect that we would get housed.

**"It was a very, very terrible time [in refuges], and that's why I would go back home. It was just easier. It felt easier," she says.**

Vicky went back to her violent husband twice.

While temporary accommodation is critical for women first leaving their violent partners, it isn't easy when you have young children and without the prospect of long-term housing options we see too many women returning to violent partners rather than try and navigate the system.

**DOMESTIC VIOLENCE HOUSING SUPPORT WORKER, NSW**

## Homelessness

### Family and domestic violence is the biggest cause of homelessness for women and children.

Women that have experienced family and domestic violence are the biggest client group seeking assistance from specialist homelessness services. In 2019-20, 119,200 clients, or 41% of all specialist homelessness service clients, sought assistance while experiencing domestic and family violence, with more than half (55.8%) requiring accommodation.<sup>36</sup> Of these, almost one in four (24.3%) were not provided with services or referred.<sup>37</sup>

**TABLE 2** CHANGE IN HOUSING SITUATION AFTER RECEIVING SPECIALIST HOMELESSNESS SERVICES

| HOUSING SITUATION<br>AT BEGINNING OF SUPPORT | HOUSING SITUATION AT END OF SUPPORT |            |             |             |                       |
|--|-------------------------------------|------------|-------------|-------------|-----------------------|
|  | Homeless                            | Short term | Well housed | Institution | Not stated /<br>Other |
| Homeless                                     | 36%                                 | 20%        | 10%         | 2%          | 12%                   |
| Short term                                   | 7%                                  | 39%        | 17%         | 1%          | 11%                   |
| Well housed                                  | 7%                                  | 13%        | 83%         | 1%          | 13%                   |
| Institution                                  | 12%                                 | 16%        | 15%         | 25%         | 14%                   |
| Not stated/other                             | 3%                                  | 3%         | 4%          | 0%          | 77%                   |

Equity Economics estimates that 9,120 women and children face homelessness each year after leaving a violent partner. (See Appendix for methodology)

In total Equity Economics estimates that there is an immediate need for 16,810 additional social housing units to ensure that women and children escaping family and domestic violence have somewhere to go and are not forced into returning to a violent partner or homelessness.

While this investment would address the immediate need, there is an ongoing need to build additional housing to meet future projected demand for social housing. It has been previously estimated that by 2036 Australia will require an additional 136,000 units of social housing to maintain current levels of provision, a further 64,000 units to meet manifest need of people experiencing homelessness and 526,000 to provide relief to Australians living in severe rental stress.<sup>38</sup>



## The third time Vicky left it was for good, but finding secure long-term housing for her and her children took years.

At first Vicki and her children moved to the country where they could find affordable housing. But living in the country isolated her from family and her networks and soon she moved back to the city to find a job and stay with her sister.

**“We were all sharing a bedroom,” she explains. “I tried to find a private rental, but I couldn’t because of how expensive it was.”**

Vicky approached a homelessness service, but they couldn’t help.

“They said to me that I literally had to be homeless, even though I was homeless.

They said that ‘When you don’t have a place to stay at,’ come and see us.

Vicky moved to a motel.

For three and a half months, Vicky and her children lived out of motel rooms. Each morning she would take the children to school before spending her days speaking to services, applying for accommodation, and looking at rentals she could not afford.

The motel rooms had no cooking facilities, so she struggled to keep food costs down by cooking. Trips to laundromats to keep the children’s clothes clean quickly racked up costs. Being homeless was expensive.





VICKY AND DAUGHTER **PHOTO:** ELIZABETH CLANCY

"The worst part was the kids saying to me every morning on the way to school, 'Are we going to have somewhere to sleep tonight?' I'd be driving in tears, praying that we would get accommodation."

Eventually the family was offered crisis accommodation living alongside other families in crisis. Drugs, addiction and violence were rife. "My children saw a 16-year old kid overdose; they were surrounded by conflict and trauma."

"I'd lock myself in my room at times," Vicky, now 46, admits tearfully. Her thoughts were dark and despairing: 'What's the use of living? I've failed my kids. I've failed myself. I'm a terrible parent.'

**"It's so hard to break out of that cycle. You're labelled, as a homeless person. It doesn't matter what you have done in your past life – that is all forgotten, nobody ever asks you if you have talents or skills. You lose confidence and self-esteem."**

"Having housing would have made a huge difference to me and my kids. They've felt that we've been in poverty and that has a big effect on their emotional state. We would have been able to live comfortably and not had to worry about where we were sleeping at night. They had to change schools many times, so there was no stability and my older son got put off school, so it's affected his education."

# ECONOMIC BENEFITS OF INVESTING IN SOCIAL HOUSING

**Building an additional 16,810 social housing units to meet the immediate need of women and children escaping family and domestic violence will require significant investment from Government.**

Based on costings developed by the Australian Housing Urban Research Institute (AHURI) delivering an additional 16,810 social housing units would cost approximately \$7.6 billion. This includes construction costs of \$5.2 billion and land costs of \$2.3 billion.

However, these costs could be reduced through using surplus Commonwealth and State Government land and through leveraging investment of the community housing sector and private investors.

Building an additional 16,810 social housing units will deliver a significant economic benefit. The National Financing and Investment Corporation has estimated that each \$1 million of construction spending generates nine jobs across the economy and \$2.9 million in economic output. On this basis Equity Economics estimates that building 16,810 social and affordable housing units could deliver (see Appendix for methodology):

- \$15.3 billion in additional economic output
- 47,009 additional jobs.





# COSTS OF DOMESTIC VIOLENCE

Equity Economics modelling indicates that building 16,810 social housing units would reduce the number of women that return to violent partners because they have nowhere to live and cannot afford housing by 7,690, and deliver a benefit of \$154 million in a single year (see Appendix for methodology).

The AIHW has estimated the disease burden attributable to domestic violence in Australia, and estimated that it accounted for 35,078 lost disability adjusted life years (DALYs) in 2015. Using guidance from the Department of the Prime Minister and Cabinet this equates to an annual cost of \$7.6 billion. But this only measures the impacts of family and domestic violence on health outcomes, and does not measure the broader impacts on productivity, consumption, income support, housing support and legal costs.

Separate reports from PWC<sup>39</sup> and KMPG<sup>40</sup> have included these broader economic costs and put the annual cost of domestic violence in Australia at \$22 billion per year. The PWC's *A High Price to Pay* report included a detailed breakdown of the individual costs of family and domestic violence and estimated these were around \$26,780 per year in 2014-15 dollars.

Equity Economics has updated these figures for inflation and new guidance from the Department of the Prime Minister and Cabinet on the value of a statistical life:

**TABLE 3** DOMESTIC VIOLENCE ANNUAL COST PER VICTIM (2020-21)

| DESCRIPTION                                       | \$     |
|---|--------|
| <b>Pain and suffering and premature mortality</b> | 11,791 |
| <b>Health</b>                                     | 1,312  |
| <b>Production related</b>                         | 1,969  |
| <b>Consumption related</b>                        | 9,179  |
| <b>Administrative and other</b>                   | 1,879  |
| <b>Second generation</b>                          | 639    |
| <b>Transfer cost</b>                              | 1,726  |
| <b>Total</b>                                      | 28,495 |

However, estimating the costs that would be avoided if, rather than returning to perpetrators of domestic violence, women were housed, requires different methodology to that used by PWC and KPMG. This is because some of the costs would not be avoided, such as second generation costs and a portion of the losses related to anxiety and depression.

Equity Economics modelling indicates that the annual health and economic gains per survivor from avoiding domestic violence equates to \$18,241<sup>41</sup> (see Appendix for methodology).





**PHOTO:** DOMESTIC VIOLENCE VICTORIA

**TABLE 4** DOMESTIC VIOLENCE ANNUAL COST AVOIDED (2020-21)

| DESCRIPTION                                       | \$     |
|---|--------|
| <b>Pain and suffering and premature mortality</b> | 13,151 |
| <b>Health</b>                                     | 1,471  |
| <b>Production related</b>                         | 1,974  |
| <b>Consumption related</b>                        | 1,645  |
| <b>Total</b>                                      | 18,241 |

A slightly higher cost of DALY's lost is estimated than in the PWC report from the current experience of domestic and family violence due to the risk of homicide, suicide and pregnancy loss being greater.

We do not account for the likely higher risk and severity of anxiety and depression for women given the long-term nature of these impacts, even though we would expect a higher impact when women are experiencing violence from a current partner.

# COSTS OF HOMELESSNESS

Equity Economics estimates that building 16,810 social housing units and reducing the number of women that experience homelessness after leaving a violent partner by 9,100 would produce a benefit of \$244 million in a single year (see Appendix for methodology).

Based on latest specialist homelessness data we estimate that building 16,810 social housing units would support 9,100 women that would otherwise experience homelessness. This would avoid the costs of homelessness that have been estimated for single women at \$26,800 a year.

Homelessness has been found to increase the costs of health, justice, welfare, and child protection services.

## CASE STUDY VICKY

### Vicky finally found housing and could re-build her life

After more than four years in crisis accommodation Vicky eventually got long-term housing. Now she has been able to rebuild her life and heal, and support her children to move on from that traumatic time.

Vicky is now teaching, passing on her vast knowledge to students studying a Diploma of Community Services.



# CONCLUSION

Family and domestic violence continues to cost more women their lives every year than any other form of violence, making their home the most dangerous place they can be. Addressing family and domestic violence must be at the centre of the next National Plan to Reduce Violence Against Women.

Preventing domestic and family violence will require long-term commitment from governments and the community to address the underlying drivers. However, there continues to be a need to support women, who are experiencing family and domestic violence, to leave violent relationships. This requires integrated supports from specialist domestic violence services, legal services, police and homelessness services.

While specialist homelessness services are providing services to women leaving violent partners in record numbers, too often they cannot provide these women with long-term stable housing due to the lack of supply. As a result, women are returning to violent partners or experiencing homelessness.

This report has shown there is an immediate need for 16,810 more social housing units to provide women escaping family and domestic violence with somewhere to go. In addition, there will be an ongoing need for additional investment in social housing to meet future projected demand. There would be significant economic benefits from building these homes, including the direct economic benefits of construction but also the savings from reducing future incidence of domestic violence and rates of homelessness.

# APPENDIX

## Methodology

### SAVINGS FROM AVOIDING HOMELESSNESS

In 2019-20 there were 38,000 people experiencing domestic and family violence that sought, but did not receive, long-term housing assistance. While presumably some of these people could be supported into private rental accommodation, others will feel forced to stay in their current housing, or become homeless.

While there is no specific data or literature that tells us how many of these people become or stay homeless because of the lack of social housing we can estimate it by focusing on the cohort of people approaching SHSs for assistance finding long-term accommodation. This approach is likely an understatement of demand for long-term accommodation, as there are likely to be people that require accommodation, but for numerous and various reasons do not approach SHSs.

The data collated by SHSs reports on the housing status of clients at the beginning and end of the reporting period can be used to help understand what proportion of people are likely to be homeless and what proportion are able to find accommodation within the community/private housing, without the provision of additional social housing.

Of the people that approach SHS looking for long-term accommodation, 20,838 (30%), were already homeless. At the end of the reporting period, 55% of these people were still homeless. That is, approximately 45% had been able to find private or community housing.

Due to the paucity of data informing us otherwise, we have assumed that all those homeless at the beginning and end of the reporting period, could avoid homelessness with the provision of additional social housing.

We appreciate that in reality, the drivers of homelessness are complex and extend beyond the availability of accommodation.

There is also a proportion of people that began the reporting period in private or community housing (70%). At the end of the reporting period, 11% were homeless. It is assumed that these people could avoid homelessness with the creation of additional social housing.

These steps in the calculation are summarised in the tree diagram 1.

Based upon these data, we estimate that 9,120 women would not experience homelessness if there was additional social housing.

#### **NOTE ON APPROACH:**

*The above estimation for the number of homeless is based on clients. As it is possible clients may include children, there is the risk of overcounting.*

*To cross check and triangulate the correct figure, we also calculated the number of homeless using an alternate approach:*

*Looking at the demographics of clients that experience violence, we estimate that approximately 60% are adult females. If we apply this percent to total number of clients experiencing FDV and homeless at the end of the reporting period (17,000), we calculate a figure of 10,386 households that require long-term housing.*

*This highlights that taking an alternate approach produces a similar estimate of the number of houses required.*



**TREE DIAGRAM 1**



A 2013 national study of homelessness estimated that homelessness costs the Australian economy \$23,352 per female.<sup>43</sup> This includes health, justice and taxation foregone, and the cost of children placed in care. Inflated to 2021 prices, this equates to \$28,233.<sup>44</sup>

It follows, that through the creation of additional housing, an estimated \$257 million in homelessness costs could be avoided in just one year.

## SAVINGS FROM AVOIDING FURTHER DOMESTIC VIOLENCE

Where some people fall into homelessness due to lack of housing, others will return to their home, and potentially experience on-going domestic and family violence.

To estimate the number of people that would leave their abusive relationship if there were additional social housing, we draw upon the data from the ABS personal safety survey.<sup>45</sup> From this survey we know that in 2016, an estimated 156,000 women experienced DV in the previous 12 months from a current or previous partner. This figure does not include emotional abuse and

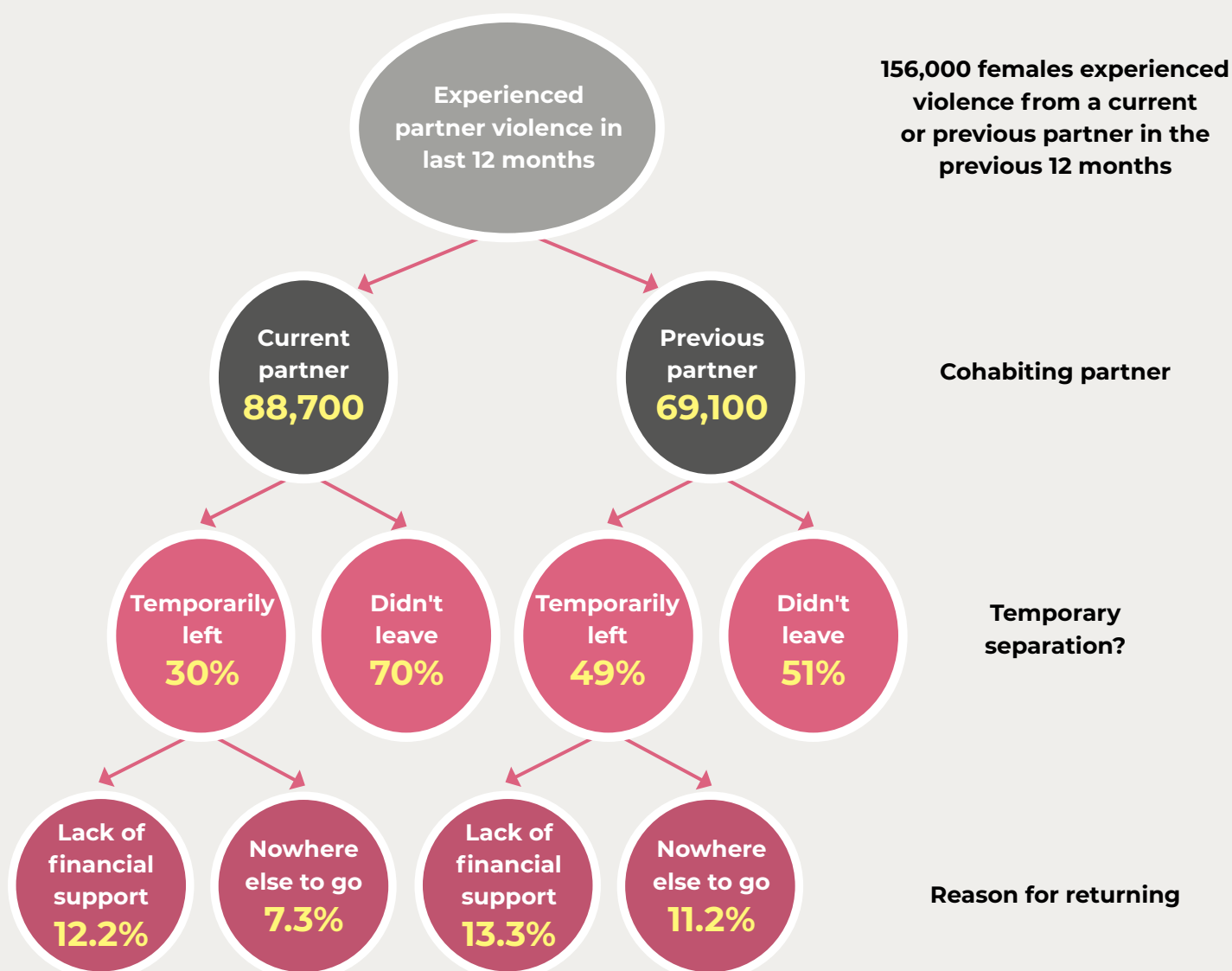
is therefore considered a conservative measure of the prevalence of domestic and family violence.

Of these women, a proportion have temporarily left their partner in the last 12 months – that is, they have left and returned. The majority stated they returned because they loved their partner and/or they wanted to work things out. However, roughly 10 percent stated they had no money or financial support and/or nowhere else to go.<sup>46,47</sup>

Based upon these data, we estimate that 7,690 women would not return to a violent partner if there was additional social housing.

The steps of the calculation are summarised in the tree diagram 2 below.

**TREE DIAGRAM 2**



## COST OF DOMESTIC VIOLENCE

There are numerous studies that have estimated the cost of domestic violence. These estimations are based upon the assumption that all violence could be avoided. Since that is not the premise of this analysis, we have built upon and modified these cost studies to reflect the ongoing cost of DV that could be avoided by creating additional social housing. The table below summarises the cost categories that are included in the avoided cost of DV figure.

| COST CATEGORY                           | DESCRIPTION   | INCLUDED? |
|---|---|-----------|
| Pain, suffering and premature mortality | Costs attributed to lost quality of life  | Yes       |
| Health costs                            | Health services required due to DV  | Yes       |
| Production costs                        | Lost productivity due to absenteeism attributable to DV (e.g. illness, attending court etc) | Yes       |
| Consumption                             | Damaged to or destroyed property  | Yes       |
| Second generation                       | Services required by children in households where DV perpetrated                            | No        |
| Administration and other costs          | Police and justice costs, perpetrator programs  | No        |
| Transfer costs                          | Lost taxes, deadweight loss   | No        |

While a binary approach has been taken as to whether these costs can be avoided through the provision of more social housing, we recognise that there is often a dose effect. That is to say, the second generation costs, which are not included, are potentially smaller due to the provision of additional social housing. Consequently, the estimated avoided cost of DV avoided is likely to be an understatement of the true cost.

### Pain, suffering and premature mortality

Pain and suffering are quantified using the burden of disease data (BoD). Burden of disease analysis provides a standardised method for estimating the overall impact associated with a disease or risk factor – in our case, partner violence data. This is measured in units called disability adjusted life years (DALYs).

An estimated 9,087 DALYs due to intimate partner

violence could be avoided through the creation of additional social housing. With a statistical life year estimated at \$218,302 (current prices), over \$1.9 billion in pain and suffering could be avoided through social housing.

To estimate the unit cost per woman, the total cost of the burden of disease is divided by the prevalence of domestic violence to produce a unit cost of \$12,724 in pain and suffering for each woman.

### Health

In 2015 PwC estimated the health costs associated with domestic and family violence at \$1,312 per person. These costs included both the immediate physical and psychological trauma of violence, but also the longer term effects such as anxiety, depression and substance abuse.

Because some of these health costs will not be avoided through the creation of additional

housing, our analysis is focused on avoided hospitalisations for injuries. In 2017-18 there were more than 240,000 females hospitalised with injuries,<sup>48</sup> incurring a healthcare system cost of over \$4 billion.<sup>49</sup> This works out to \$16,859 per hospitalisation in 2020-21 prices.<sup>50</sup>

In 2016-17 it was estimated that 4,600 females were hospitalised due to domestic and family violence.<sup>51</sup> Given the cost per hospitalisation, a total of \$77.5 million in healthcare costs can be attributed to domestic violence. Given the prevalence of partner violence (156,000), this equates to \$497 per victim.

## Production

Production costs are largely comprised of absenteeism costs and the cost associated with appearing at court. As the latter is unlikely to be significantly affected by additional social housing, only absenteeism costs are assumed to be avoided through the creation of additional social housing.

An Access Economics study reported that on average, each victim of domestic violence loses up to 3 days in paid work due to experiencing physical violence.<sup>52</sup> Based on the average weekly income for females,<sup>53</sup> an estimated \$902 could be avoided through additional social and affordable housing.

## Consumption

There are two components to consumption costs: the cost associated with property damage, and loss of economies of scale. The latter are a longer term cost, and refer to higher future living costs due to a decreased likelihood of being married or in a de facto relationship in the future. Given the nature of this study, we have assumed that just the property costs will be avoided through the creation of additional social housing.

For the estimate of the damage costs, we have drawn upon the estimate constructed by KPMG,<sup>54</sup> and inflated to current prices. We estimate that \$1,798 per woman in property damage can be avoided if additional social housing is constructed.

## Total

Bringing together the components of cost, we estimate that through the creation of additional social housing \$15,922 in costs could be avoided for each woman housed. Based on an estimated 7,690 women potentially being able to avoid domestic violence, \$122 million in costs could be avoided.

## CONSTRUCTION COSTS

To estimate the cost of building additional social housing we have drawn upon the analysis undertaken by AHURI,<sup>55</sup> which estimated, that on average it would cost \$270,000 to build a single social housing dwelling. This is averaged across both building types and geography. Inflated to current prices,<sup>56</sup> we have modelled that it would cost, on average, \$310,728 to build a social housing dwelling.

## Land

The cost of land is based on analysis undertaken by Lawson et al (2018), which, using the residual land value methodology, found that land costs are 31% of total development costs.<sup>57</sup>

Based on the build cost, we estimate that on average, land would cost \$139,603 for each social housing dwelling.

To provide a long-term home to those survivors of domestic violence seeking assistance, 16,810 additional homes would be required at a total cost of \$7.6 billion in land and construction costs.

## ECONOMIC IMPACT

The economic impact of building social housing is modelled using a partial equilibrium model. This approach helps us to understand how an investment in one section of the economy can flow through other parts, generating flow on effects in terms of output (i.e. GDP) and jobs.

We've drawn upon the analysis undertaken by the National Housing Finance and Investment Corporation (NHFIC) which has leveraged the ABS input-output tables to estimate the short term and long-term effects from spending in the construction sector.<sup>58</sup>

They've found that for each \$1 million spent within the residential construction sector, \$2.9 million in output and consumption is generated, and up to 9 jobs across the economy (within and beyond the construction sector).

It is worth noting that when modelling the economic impact of constructing social housing upon the economy, only the cost of the build – not the land – is included.



# FOOTNOTES

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