



Australian
Childhood Foundation
Protecting Children



Child Abuse Prevention
Research Australia

MONASH University

The Cost of Child Abuse in Australia

Report by Access Economics Pty Limited,
Australian Childhood Foundation and
Child Abuse Prevention Research Australia
at Monash University

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**ACCESS
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Acknowledgements

This report is a testament to the persistence and commitment of the Boards of the Australian Childhood Foundation and Child Abuse Prevention Research Australia at Monash University. They have continued to actively champion the combined efforts of the two organisations to advocate for the rights of children to protection from all forms of abuse and violence.

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Foreword

The cost of child abuse to the Australian community is a staggering figure. It includes paying the salaries of the thousands of doctors, nurses, police officers, social workers, judges, probation officers, teachers and others who protect and respond to children identified as being abused and neglected. There is also a significant outlay in reimbursing foster carers and others who look after traumatised and vulnerable children and in the administrative costs associated with managing these complex systems.

In addition, the cost of the pain and suffering experienced by the children and young people who are abused and neglected represents a burden that is most heavily paid in the loss of their childhood. It is transacted in personal impacts which disrupt their daily lives. The memories of abuse are pronounced and ever present for children. Small reminders may cause them to relive their fear and confusion. The world itself is experienced as dangerous for abused children — a place without haven or safety. Abuse and neglect undermines their self confidence and eats away at their self esteem, making them feel worthless and unlovable.

As a consequence, abused and neglected children can suffer depression, anxiety and ongoing effects of trauma. They struggle to learn at school and can lag well behind their classmates in their education. They may feel dislocated from their friends and family — leading to isolation and even harsher longer term consequences such as homelessness and crime. Some will turn to drugs and alcohol to escape reliving the fear and confusion of the violence and neglect they have endured. All these costs can be estimated but not easily comprehended.

And yet, there is an even darker side to these numbers. Our estimates are in reality only a fragment of the real costs to the community because we do not know how many children are abused and neglected each year in Australia. The sad reason for this is that child abuse does not attract the investment that is required to undertake quality research and evaluation unlike the funding that is spent on research into other major health and welfare problems, such as depression and obesity.

Child abuse fails to register as enough of a critical concern to galvanise our collective effort to tackle it.

In September 2003, we released the first results of our national community attitude tracking research about child abuse and child protection (Tucci et al, 2003). At that time, we concluded that the community did not understand or appreciate the seriousness, size and cost of child abuse in Australia. There was a commonly held view that child abuse was not an important challenge facing children. In fact, child abuse was perceived as less concerning than problems associated with council rates and the standard of services provided by the public transport system. The community was extremely ambivalent about trusting children's histories of abuse and family violence. Thirty-five percent (35%) of respondents would not believe children's stories about being abused.

Just over 1 in 3 respondents did not believe that child abuse was a problem that they needed to be personally concerned about. 54% of respondents did not identify child abuse as causing a substantial cost to Australian society, reflecting a widespread lack of basic knowledge about how pervasive the effects of child abuse are in the developmental experiences of childhood, adolescence and adulthood.

Unfortunately for children, the results of our follow up study in 2006 (Tucci et al, 2006) showed no improvement in the community's awareness, understanding or engagement with the issue. In 2006, child abuse was perceived as less concerning than the rising cost of petrol and problems with public transport and roads. 31% of respondents stated that they would not believe children's stories about abuse. 43% of respondents felt so poorly informed on the issue that they were unable to guess the number of reported cases of child abuse, whilst those prepared to estimate, significantly underestimated the problem.

Foreword

(continued)

Such limited public acknowledgement of the problem provides no impetus for implementing comprehensive systems that apply consistent definitions of abuse between states or for effective processes that facilitate recognising and responding to children who have been, or are, at risk of abuse.

It is truly incomprehensible that official estimates of the number of abused and neglected children in Australia in 2008 are substantially lower than the reality. Indeed, as this report suggests, it is likely that for every child officially identified as abused or neglected (by State or Territory child protection systems), there may well be almost five times as many who are not identified. Indeed, it could be as high as 18 times more children who have been abused or neglected who are not identified as the number of those who are.

This realisation is as staggering as the estimated financial cost. Our child protection systems are already in crisis. As we have noted previously, (Goddard and Tucci, 2008), it is an extraordinary indictment of Australian society that, to date, it has been impossible to agree on any semblance of a uniform national approach to one of our most serious — and expensive — problems.

It will take a seismic change in leadership to improve our capacity as a community to prevent child abuse and protect children from violation.

Dr Joe Tucci, Australian Childhood Foundation

Professor Chris Goddard, Child Abuse Prevention Research Australia, Monash University

Australian Childhood Foundation

The **Australian Childhood Foundation** is an independent children's charity working in a number of ways to prevent child abuse and reduce the harm it causes to children, families and the community.

Specialist Trauma Counselling. We provide a range of specialist counselling services for children and young people affected by abuse and for their families.

Therapeutic Care Programs. We provide a range of therapeutic care programs within residential and foster care settings.

Advocacy for Children. We speak out for effective protective and support services for children and young people. All our programs affirm the importance of children.

Education. We provide community and professional education, consultancy and debriefing programs. These programs aim to improve responses to children and young people who have experienced or are at risk of abuse, family violence and neglect.

Child Abuse Prevention Programs. We run nationally recognised child abuse prevention programs that seek to decrease the incidence of child abuse and raise awareness about how to stop it even before it starts.

Inspiring and Supporting Parents. We provide ongoing parenting education seminars and easily accessible resources to strengthen the ability of parents to raise happy and confident children.

Research. In partnership with Monash University, we have established Child Abuse Prevention Research Australia to research the problem of child abuse and identify constructive solutions.

The Australian Childhood Foundation won the 1998 National and State Violence Prevention Awards for its efforts to prevent child abuse. In 2005, it was awarded the National Child Protection Award by the Australian Government.

The Australian Childhood Foundation relies on the support of the community to enable it to continue its programs and services.



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Child Abuse Prevention Research Australia, Monash University

Child Abuse Prevention Research Australia is a unique collaboration between a world-class university and a national child welfare organisation. It has been established as a joint initiative between the School of Primary Health Care, Faculty of Medicine, Nursing and Health Sciences, Monash University and the Australian Childhood Foundation.

The aim of Child Abuse Prevention Research Australia is to provide evidence-based advice to governments and community based organizations to inform the development of effective policies and practices aimed at dramatically reducing the incidence of child abuse, neglect and murder.

Recent Publications Include:

Goddard, C and Tucci, J. (2008)

From partial analyses and fragmented services to comprehensive analysis and coordinated outcomes: Responding to child abuse and neglect in Australia. Australian Childhood Foundation and Child Abuse Prevention Research Australia: Melbourne.

Briskman, L., Latham, S. and Goddard, C. (2008)

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The Importance of Listening to Children: A Qualitative Study on the Use of Parental Physical Punishment in Childhood in Australia, **Social Development Issues**. Vol 29 (3): 33-46.

Frederick, J. & Goddard, C. (2007).

Exploring the Relationship between Poverty, Childhood Adversity and Child Abuse from the Perspective of Adulthood, **Child Abuse Review**. Vol 16 (5): 323-341.

Mudaly, N. & Goddard, C (2006).

The Truth is Longer than a Lie: **Children's experiences of Abuse and Professional Interventions**. Jessica Kingsley: London and Philadelphia.

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Contents

Acknowledgements	i
Foreword	ii
Australian Childhood Foundation	iv
Child Abuse Prevention Research Australia, Monash University	v
Glossary and Acronyms	vii
Summary Points	viii
Executive Summary	ix

Glossary and Acronyms

ABS	Australian Bureau of Statistics
AF	Attributable Fraction
AIHW	Australian Institute of Health and Welfare
ANCOR	Australian National Child Offender Register
Child abuse and neglect	Includes physical abuse, emotional and psychological abuse, sexual abuse, neglect and children forced to live with domestic violence.
Children	Children and young people under the age of 18 years of age.
CSA	Child Sexual Abuse
DALY	Disability Adjusted Life Years
DWL	Deadweight Loss
ICD	International Classification of Disease
Notification	Notifications are reports or referrals to government child protection departments of possible abuse. They are investigated and substantiated if the investigation concludes the child has been, is being or is likely to be abused.
Substantiation	Notifications are substantiated if an investigation concludes the child has been, is being or is likely to be abused, neglected or otherwise harmed.
OR	Odds Ratio
Out-of-home care	Out-of-home care provides alternative accommodation to children and young people unable to live with their parents and includes foster care, placements with relatives, and residential care.
PSS	ABS Personal Safety Survey
RR	Relative Risk
SAAP	Supported Accommodation and Assistance Program
SUDI	Sudden Unexpected Death of an Infant
VSL(Y)	Value of a Statistical Life (Year)
WHO	World Health Organisation
WTP	Willingness To Pay

Summary Points

The Australian Childhood Foundation and Child Abuse Prevention Research Australia at Monash University commissioned Access Economics and collaborated with them to estimate the cost of child abuse (physical, sexual and emotional abuse, neglect and being forced to live with family violence). Two different types of costs were calculated using two separate approaches. The calculations made throughout the report have been chosen specifically to be inherently conservative in order to ensure that final results are not inflated or disputable.

Approach 1 The first approach estimates the cost incurred by the Australian community associated with children who were abused or neglected in 2007.

Using this approach, the final estimate adds together the costs associated with the provision of health services to children who have been abused and neglected, identifying and responding to crime that is associated with child abuse and neglect, additional government expenditure on educational assistance for children who have experienced abuse and neglect, poorer labour market outcomes down the track, government expenditure on care and protection and a percentage of Supported Accommodation and Assistance Programs, and efficiency losses (which arise because of the additional government expenditure and transfer payments). It also includes an estimate of the total cost of the pain and suffering experienced in 2007 by the children who have been abused and neglected.

Approach 2 The second approach estimates the future costs to the community which will be incurred over a lifetime for the children who were abused or neglected for the first time in Australia in 2007.

This approach is used to estimate the total ongoing cost to the Australian community associated with the poorer life outcomes of children who have experienced abuse and neglect. This cost is calculated by forecasting the impact on children's life outcomes across a range of measures for children who were abused or neglected for the first time in 2007. This result estimates the cost to the Australian community of downstream problems that emanate from experiences of abuse and neglect in childhood.

The Cost of Child Abuse and Neglect Incurred by the Australian Community in 2007

In 2007, it is estimated that 177,000 children under the age of 18 were abused or neglected in Australia. This figure could be as high as 666,000 children and young people. Based on these numbers, the best estimate of the actual cost of child abuse incurred by the Australian community in 2007 was \$10.7 billion, and as high as \$30.1 billion.

The Lifetime Cost of Child Abuse to Children Abused or Neglected for the First Time in 2007

In 2007, it is estimated that there were 130,237 children who were abused or neglected for the first time in Australia. This figure could be as high as 490,000 children. Based on these numbers, the projected cost of child abuse and neglect that will be incurred by the Australian community over the lifetime of children who were first abused or neglected in 2007 was \$13.7 billion, but could be as high as \$38.7 billion.

Executive Summary

In this report, the costs to the economy and society of the abuse of children and young people aged 0 to 17 years are assessed, with five main types of child abuse covered — physical, emotional and psychological, sexual abuse, neglect and witness of (or knowledge of) family violence. This definition of child abuse is based on research by the Australian Childhood Foundation and Child Abuse Prevention Research Australia, Monash University.

Approach and Methodology

Two approaches to estimating the costs of child abuse have been taken in this Report — a prevalence approach and an incidence approach.

The prevalence of child abuse and neglect in 2007 is the number of Australian children who experienced abuse or neglect in that year (whether abused for the first time in 2007 or also abused in previous years). (Note, for this project we estimate the one year prevalence rather than lifetime prevalence.) The prevalence cost is therefore the one year cost associated with child abuse occurring in 2007. This was calculated by adding the unit cost of government expenditure on child protection, health services, and crime in 2007, to a one year 'slice' of the lifetime costs of abuse (including productivity losses), and multiplying by the number of children who were abused or neglected in 2007.

The incidence of child abuse and neglect in 2007 is the number of children who experienced abuse or neglect for the first time in that year. The incidence costs in this Report reflect the whole-of-life cost of being abused for those abused in 2007 for the first time.

Estimates of the Prevalence and Incidence of Child Abuse

There are various sources of data on child abuse and neglect — government child protection services and health system services data, information from the courts, and surveys. All offer useful perspectives on incidence and prevalence but none are reliable on their own. The different information sources are difficult to compare, verify and validate because:

- they use different behaviour or harm thresholds to define abuse (for example, for sexual abuse, some studies define abuse based on verbal innuendos, whereas others only include intercourse).
- there are differences in scope (for example, whether neglect is included, whether children of all ages are included, and whether maltreatment by peers, strangers and siblings is included).
- different methodologies are used (for example, whether a survey sample includes only people attending a clinic for depression).

Hence, there is **uncertainty** about the extent of abuse that occurs in Australia. Importantly, only a proportion of child abuse and neglect is reported to child protection authorities so substantiations data underestimate the extent of abuse. In this Report, three estimates of the incidence and prevalence of child abuse are presented — a lower bound, based on substantiated abuse from State/Territory Government child protection data which underestimate the total abuse occurring; a best estimate; and an upper bound.

Executive Summary

(continued)

Prevalence of Abuse Occurring in 2007

To calculate the **lower bound** for prevalence, the substantiations data are adjusted for (i) investigations that were still in process when the data sets were closed for the year and (ii) some initial decisions not to substantiate abuse are subsequently followed by a decision to substantiate. The 'adjusted' substantiation rate is 7.6 per 1,000 children — equivalent to 36,570 children in 2007.

In the absence of other nation wide, comprehensive estimates of child abuse, the ABS Personal Safety Survey (PSS) was used as the **best estimate** of abuse. The ABS PSS undertook personal interviews with a sample of Australians aged 18 or over and included a question about whether child sexual or physical abuse had been experienced before the age of 15. In 2005, around 18% of people reported that they experienced physical or sexual abuse before the age of 15 years. Converting this to annual prevalence, 177,300 children experienced abuse in 2007, (3.7% of children aged 0 to 17 years) — 4.8 times the number of children in substantiations in 2006-7.

The ABS PSS estimate is likely to be conservative because:

- Survey responses may be affected by recall bias (particularly recalling life before age four when most abuse occurs), victim discomfort in revealing abuse, and cultural factors.
- The PSS only included sexual and physical abuse — emotional abuse, neglect and being forced to live with family violence were excluded.
- A rigorous meta-analysis by Andrews et al (2004) of child sexual abuse alone found an annual prevalence of 3.6%.

A recent international survey from the UK (May-Chahal and Cawson 2005) is consistent with the PSS finding. The UK study found that over 90% of respondents reported that they came from a warm and loving family background and that maltreatment (both intra and extrafamilial and including sexual, physical, emotional abuse and neglect) was experienced by 16% of the sample.

The **upper bound** estimate was based on a US study (Finkelhor et al, 2005) which found that 13.8% of children were maltreated (666,500 Australian children in 2007). This is equivalent to 18.2 times the Australian substantiation rate. The upper bound estimate should be interpreted with great care because the definitions of child abuse in Finkelhor et al (2005) are not the same as those used in this report, the children may have experienced more than one type of abuse simultaneously (and thus separate counts for each different type of abuse cannot be added together) and the data are from the US, so cultural or other differences may affect its applicability to Australia.

Adjusted data suggest there were 36,600 children in substantiations in 2007. The prevalence of abuse occurring in 2007 was likely to be between 177,000 and 666,000 children.

Executive Summary

(continued)

Incidence (the Number of Children Abused for the First Time in 2007)

Incidence rates were estimated by deducting the number of children in substantiations in 2007 who had also experienced abuse in previous years from the total number of children in substantiations. Again, an extensive literature review did not reveal robust estimates of the average duration of abuse. However, 35% of children are on a care and protection order for more than one year, and 19% of substantiated children were subject to another substantiation within 12 months. The meta-analysis by Andrews et al (2004) cited studies finding the prevalence of child sexual abuse cases with a duration of more than one year at 6.3% and 12% of all child sexual abuse cases. Best estimates are that 130,327 children were abused for the first time in 2007, 26,884 new cases being substantiated, with the upper bound estimate being 489,954 new cases of abuse in 2007.

The approach in this Report suggests there were around 26,884 children in substantiations who were abused for the first time in 2007. In total, there were between 130,327 children and 490,000 children abused for the *first* time in 2007.

Severity of Harm

There are several indicators of severity of harm. In 2006-07, in jurisdictions for which data were available, between 16% and 39% of children on substantiations in 2005-06 were admitted to care and protection orders. Hospitalisation data under-report child abuse. Only 14 hospitalisations were directly recorded for child abuse and neglect between 1998-99 and 2004-05, with all of these separations involving specialised psychiatric care. In 2007, there were an estimated 240 deaths attributable to child abuse – 114 males and 126 females – including 27 deaths of children aged 0 to 14 years. Most deaths were from suicide and self-inflicted injuries (53%), alcohol abuse (12%) and anxiety and depression (4%). Finally, 2006 data show that 449 children and young people aged 0 to 19 were victims of murder, attempted murder, kidnapping or abduction.

Risk Factors and Consequences of Child Abuse

Risk factors for abuse comprise younger age (ie. infants and toddlers are at highest risk), female gender, disability, indigenous ethnicity, lower socioeconomic status, having parents with mental illness or who misuse substances, or living in a family where there is domestic (intimate partner) violence.

Parents or other care givers who live in a family where there is intimate partner violence or who experience mental illness, drug and alcohol addiction or other contextual stressors with less social support mechanisms are more likely to abuse and neglect their children.

Executive Summary

(continued)

Consequences of child abuse can be severe, including a range of short and long term physical and mental impacts, later substance misuse, teen pregnancy, debilitated social functioning, evidence of developmental delay and impairment, cognitive and neurological impairment, low academic achievement, delinquency and adult criminal behaviour, subsequent victimisation of their own children, homelessness and premature death. Direct physical outcomes of abuse include abusive head trauma and fractures. Depression, anxiety, post-traumatic stress disorder and borderline personality disorder have all been linked with maltreatment in childhood.

Outcomes of child abuse vary widely. Consequences can be severe and long term, while some children who are offered support and protection may be less significantly affected.

Cost Summary

The annual cost of child abuse and neglect that occurred in 2007 was nearly \$4.0 billion (with a lower bound of close to \$3.5 billion and an upper bound of over \$5.5 billion). In addition, the value of the burden of disease represents a further \$6.7 billion (lower and upper bounds of \$1.6 billion and \$24.5 billion, respectively).

Annual Costs of Child Abuse and Neglect, 2007 (\$ million)

Type	Best Estimate	Lower Bound	Upper Bound
Health	383	91	1,400
Additional educational assistance	93	24	332
Productivity losses of child abuse survivors			
Children on an order and in out-of-home care only	5	1	20
All children abused or neglected	24	5	91
Productivity losses due to premature death	6	6	6
Crime	756	750	774
Government expenditure on care and protection(a)	1,897	1,897	1,897
Deadweight losses	807	728	1,080
Burden of Disease DALYs	26,232	6,341	95,473
Net Burden of Disease (\$ million)	6,744	1,632	24,538
Total A (excluding burden of disease)	3,947	3,497	5,509
Total B (excluding burden of disease)	3,966	3,501	5,580

Figures in tables rounded. (a) Care and protection programs only apply to children known to care and protection services.

Executive Summary

(continued)

On an incidence basis, the lifetime cost of children abused for the first time in 2007 was estimated as \$6.0 billion (with a lower and upper bound of \$4.9 billion and \$9.6 billion, respectively). In addition, the value of the burden of disease represents a further \$7.7 billion (lower and upper bounds of \$1.5 billion and \$29.1 billion, respectively).

Lifetime Costs of Child Abuse and Neglect, 2007 (\$ million) (net present value)

Type	Best Estimate	Lower Bound	Upper Bound
Health	437	90	1,644
Additional educational assistance	428	88	1,608
Productivity losses of child abuse survivors			
Children on an order and in out-of-home care only	213	44	799
All children abused or neglected	958	198	3,601
Productivity losses due to premature death	114	114	114
Crime	552	555	569
Government expenditure on care and protection(a)	3,000	3,000	3,000
Deadweight losses	1,223	1,042	1,853
Burden of Disease (DALYs)	29,182	6,020	109,707
Net Burden of Disease (\$ million)	7,657	1,477	29,154
Total A (excluding burden of disease)	5,967	4,933	9,587
Total B (excluding burden of disease)	6,712	5,087	12,389

(a) Care and protection programs only apply to children known to care and protection services.

(A) Based on productivity losses calculated only for children on an order and in out-of-home care.

(B) Based on productivity losses calculated for all children abused or neglected.

Executive Summary

(continued)

Health System Expenditures

Health system cost estimates are based on data from the Australian Institute of Health and Welfare (AIHW), and consist of both expenditure data and attributable fractions for conditions shown in the literature to be associated with child abuse. The prevalence cost is \$383.0 million in 2007, with lower and upper bounds of \$91.0 million and \$1,399.7 million, respectively.

- Of the total, hospital costs comprised over a third – \$137.6 million (inpatients 26.2% and outpatients 9.7% of the total).
- Costs of pharmaceuticals were the second largest – \$73.4 million (19.2%), closely followed by aged care homes – \$60.8 million (15.9%).
- Depression and anxiety comprised over two thirds of the total health system costs, with a combined total of \$259.3 million (67.7%) – treating depression represented half the health costs of child abuse.
- Assaults and physical injuries made up \$14.7 million (3.8%) and \$85.8 million (22.4%) respectively.

The lifetime (incidence) health costs range from \$90.2 million (lower bound) to \$437.4 million (best estimate) to \$1,644 million (upper bound) for children abused for the first time in 2007. The health system costs associated with child abuse estimated in this study triangulate well with the only other Australian study and equate to \$18.20 for every Australian man, woman and child in 2007.

Education Costs and Productivity Losses

Child abuse and neglect have been shown to result in poorer academic performance, greater delinquency and substance abuse, and other behavioural problems that often result in poor labour market outcomes later in life. Unfortunately, there is very little research on the educational attainment or labour market outcomes of children who are maltreated in Australia (AIHW 2007, Osborn and Bromfield 2007).

A number of studies provide information showing that children in out-of-home care achieve lower levels of educational attainment than average. But broader Australian studies are not available, and are scarce internationally. In Canada, using whole of population survey data, Bruce and Gordon (2007) found that at an aggregate level, sexual abuse was not associated with lower educational levels or lower adult incomes among victims — victims' responses to abuse fell into a spectrum, with some victims outperforming the average and others underperforming. The approach in this Report is therefore conservative, and education and productivity costs are only attached to severe cases of child abuse, including children experiencing multiple out-of-home care placements and a proportion of other children who experienced abuse.

Notably, a high proportion of children subject to maltreatment grow up in poorer socioeconomic circumstances which itself causes poorer educational attainment and labour market outcomes. Low socioeconomic status therefore needs to be taken into account before the link between educational attainment and child abuse and neglect can be quantitatively specified. Attributable fractions were not available from the literature, and so were derived for this Report. It was estimated that 4.1% of children who have been abused and neglected are likely to 'underachieve' in the labour market because of their experience of abuse.

Executive Summary

(continued)

The **additional educational expenditure** required to assist children suffering chronic harm from abuse is:

- (prevalence cost) Australian, State and Territory government expenditure on additional educational assistance for children who have experienced abuse and/or neglect was estimated as between \$24 million and \$332 million, with a best estimate of \$93 million in 2007.
- (incidence cost) Over their lifetime, these costs for children experiencing child abuse for the first time in 2007 were estimated as \$88 million to \$1,608 million, with a best estimate of \$428 million.

The estimated loss of lifetime earnings for those who survive their experience of abuse (termed here 'productivity losses') due to poorer labour market outcomes is:

- A prevalence cost for the year 2007 of a best estimate of \$5 million, with a lower and upper bound of \$1 million to \$20 million (this very conservatively assumes that only children on an order and in out-of-home care experience poorer labour market outcomes — estimates for all children experiencing abuse or neglect are in the table above); and
- An incidence cost for those newly abused in 2007 (again very conservatively assuming that only children on an order and in out-of-home care experience poorer labour market outcomes) of a best estimate of \$212.6 million and a lower and upper bound of \$43.9 million to \$799.4 million.

For children who died in 2007 prematurely due to fatal child abuse, the productivity losses are:

- A prevalence cost of \$3.8 million for males and \$1.8 million for females; and
- An incidence cost (net present value) for males of \$76.8 million and for females \$36.9 million.

Cost of Crime

The short term cost of crime corresponds to the prosecution of perpetrators through the legal system, while the long term costs correspond to a higher propensity for those who have been abused to be involved in criminal activity.

Short term costs were estimated as \$589.3 million in 2007 based on a variety of current expenditure data sources.

- Law enforcement: policing (\$327 million), child pornography and cyber crime (unable to be estimated with accuracy) and the Australian National Child Offender Register (ANCOR) – estimated as a much smaller \$241,200 annually.
- The judicial system: care and protection orders (\$3 million), prosecution of perpetrators (\$24 million), and Coroner's Court proceedings (\$5 million).
- Incarceration of perpetrators: a major cost component at \$208 million.
- Victim support: Kids Help Line (\$343,900) and other counselling services (\$181 million).

Long term costs were estimated as \$6.7 million (with lower and upper bounds of \$1.6 million and \$24.5 million, respectively) in 2007 based on data from a 2003 study of the cost of crime in Australia and a seven-year follow-up of the effects of abuse on criminality from the National Longitudinal Study of Adolescent Health.

Homelessness and prostitution are other impacts of child abuse, although only the government program costs of homelessness associated with child abuse were able to be costed in this analysis.

Executive Summary

(continued)

Cost of Protection and Care Programs

The cost of care and intervention programs is estimated from data on Australian, State and Territory Government expenditure on relevant intervention programs. The focus is on expenditure on 'remedial' services because it is conceptually important to separate the expenditure on preventing a harm from occurring (an investment) with the cost impacts of that harm occurring (ie. the failure to prevent/protect).

State and Territory government programs include child protection and out-of-home care (\$1.7 billion), intensive family support (\$148 million), child protection treatment and support (unable to be costed), children's advocacy (SA data only) and, jointly with the Australian Government, the Supported Accommodation and Assistance Program (SAAP). The component of the latter attributable to child abuse is \$48 million in 2006-07. Other program spending for which the child abuse component was unable to be costed include the Crisis Accommodation Program and various Royal Commissions and Inquiries. In total approximately \$1.897 billion was spent in 2007 by governments on care and intervention services — \$90 per Australian in 2007 — to ameliorate the harmful impacts of child abuse and neglect. The lifetime cost for children newly involved with child protection services in 2007 is around \$3.0 billion.

Efficiency Losses

Efficiency or 'deadweight' losses (DWLs) arise when money is transferred through the government sector, as there is a need to raise money through taxation (which distorts consumption and production patterns) and also to administer the government payments and the taxation system. Thus, although the transfers themselves do not represent real economic costs, the DWLs are a real economic cost included in this analysis.

- Efficiency losses associated with child abuse mainly arise from health and child protection expenditures, although there are also smaller losses from taxation forgone, welfare and income support and ANCOR.
- In total these losses on an annual basis were \$807 million in 2007 (best estimate) with a lower and upper bound of \$728 million and \$1,080 million, respectively.
- On an incidence basis, these losses were a lower bound of \$1,041 million to an upper bound of \$1,852 million with a best estimate of \$1,222 million.

Executive Summary

(continued)

Burden of Disease

To those experiencing or who have suffered from child abuse and neglect, fear, mental anguish, physical pain and disability are often as (or more) important than tangible impacts on employment. Fear, mental anguish and pain are known as the burden of disease, and can be measured in disability adjusted life years (DALYs). A DALY of 0 represents a year of perfect health, while a DALY of 1 represents death.

Using attributable fractions from the AIHW for 2007, the burden of disease associated with child abuse and neglect amounted to a total of 26,232 DALYs (lower and upper bounds of 6,341 to 95,473), which is approximately 0.9% (0.2% to 3.4%) of total DALYs for the year. The majority of the burden of disease resulted from depression and anxiety, which are most prevalent through the middle years of life, although suicide was responsible for the greatest number of life years lost. These DALYs are valued at \$266,843 with a lower bound of \$164,553, based on meta-analysis of the value of a statistical life year (Access Economics, 2008). Netting out costs borne by the individual elsewhere to avoid double-counting, the value of the burden of disease is estimated as \$6.7 billion (lower bound of \$1.6 billion and an upper bound of \$24.5 billion).

Over their lifetime, the burden of disease experienced by children newly abused in 2007 would be a best estimate of 29,182 DALYs, a low of 6,019 DALYs and a high of 109,708 DALYs. These equate to a lifetime (net) estimate of the value of lost health and wellbeing of approximately \$7,657 million (under the best estimate), with lower and upper bounds of \$1,477 million and \$29,154 million, respectively.

Prevention and Promotion Programs

Spending on prevention is not included in the costs of child abuse, being conceptually different, but was approximately \$1.16 billion in 2007-08, comprising Australian Government spending on FaHCSIA prevention and promotion programs and the Family Violence Partnership, State and Territory government spending (based on NSW per capita spending extrapolated to Australia).

More research and analysis are required to determine whether Australia is close to the 'right' focus on prevention reflecting the substantial and serious social and economic harm that abuse and neglect can cause. Cost effective interventions aimed at preventing child abuse need to be identified, including programs aimed at pregnancy support services and children aged 0 to 4 years.

Access Economics
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