Valuing the State of Victoria’s (Australia) Plan to End Family Violence Impact on Investment Opportunities

Leveraging finance to increase the political will of the Victorian government to achieve its policy goal of ending family violence by 2027
Governments are in the business of naming the change that they want to see in the world and subsequently, passing policies and dedicating funds to support the achievement of these specified goals. However, government solutions are not always durable and often rely on political will to be sustained, especially when it comes to addressing complex social issues like gender-based violence. Policies can change with each election cycle and the shifting priorities of politicians, their governments, and their constituents. Sustained political will for taking action against gender-based violence is vital to ensuring that it receives the necessary attention and funding.

The State of Victoria (Australia)’s government has named a plan and passed policy to end family violence by 2027. To ensure alignment with this policy, investors can integrate an analysis of family violence into their assessment of their investments’ economic benefits and directly invest in companies that are making a difference in reducing family violence. Bringing finance in to support this policy would increase the likelihood that the state of Victoria meets its goal of being free of family violence by 2027 as financial actors would then have a vested interest in also achieving that goal.

If the Victorian government is able to invest significant resources into its policy goal of fundamentally changing power dynamics within families and consequently the economy, investors will want to direct financing into companies and sectors that will grow as a result of this shift. For example, a reduction in financial abuse amongst family members could mean that women would have more control over their assets and this trend could shift household spending patterns. Naming an investment thesis that outlines the risks and opportunities in a future without family violence would allow investors to move their capital to investments that would do well in that future.

After the state completed a Royal Commission on this issue of addressing family violence in 2015, the political will to work on this issue has increased. Five years down the track since this policy has been passed, the government has invested directly into family violence services, as well as underlying culture shifts to promote greater gender equality. This is exemplified by establishing a State Commissioner for Gender Equality in 2020.

As Victoria emerges out of its COVID-19 lockdown, political, business and investment actors are paying attention to the future direction of Victoria’s economy. Questions are now being circulated about how economic prosperity and social outcomes can be maximized. Growing awareness that levels of family violence have increased during the pandemic have created an opportunity for additional political appetite to continue to address this issue.
Investments being made per an investment thesis that reflects a future where the Victorian government’s goal to eradicate family violence is achieved. The impact of this would be a reduction in family violence rates in Victoria and greater acceptance that financing social justice causes is both a strong public policy measure and a credible investment strategy.

Finance can compliment the efforts of government policies in tackling complex social justice causes.
Audiences: Government agencies and private investors
Geography: Victoria
Type of violence: Family violence
Investment approach: Investment thesis

Resources

Criterion Institute’s Mitigating the Risks of Gender-Based Violence: A Due Diligence Guide for Australian Investors