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Crown Response to the Abuse in Care Inquiry

COVERSHEET

Minister	Hon Erica Stanford	Portfolio	Lead Coordination Minister for the Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions
Title of briefing	Design and transition choices for a new redress system for survivors of abuse in care	Date to be published	30 September 2025

Withholding grounds

Information within this document has been withheld as if it had been requested under the Official Information Act 1982. Where this is the case, the reasons for withholding have been listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

- section 9(2)(a) to protect the privacy of natural persons
- section 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinions.
- Section 9(2)(ba)(i) to protect information which is subject to confidence and would likely prejudice the supply of similar information.

Context

Following the receipt of the Royal Commissions' final report Whanaketia in mid-2024, a series of briefings were developed for the Lead Coordination Minister which set out early advice on possible pathways for implementing a range of institutional and transitional arrangements that could support redress system design and delivery.

Following this early advice, through and following Budget 2025, detailed advice was provided to joint Ministers that was tailored to respond to Ministers' redress priorities, with final decisions taken in April 2025.



Briefing

Design and transition choices for a new redress system for survivors of abuse in care			
Date:	23 August 2024	Security level:	
Priority:	High	Report number:	CRACI 24/046

Actions sought	
Hon Erica Stanford Lead Coordination Minister for the Government's Response to the Royal Commission's Report into the Historical Abuse in State Care and in the Care of Faith-based Institutions	<ul style="list-style-type: none">Agree to the Crown Response Unit, with the support of the Public Service Commission, preparing a design for a new redress business unit within an existing non-care department, that can build the capability and capacity to meet the demand and needs of survivors in delivering redress, and a phased implementation plan for establishing the unit, incorporating feasibility considerations with affordability and existing processes.

Contact for discussion			
Name	Position	Telephone	1 st contact
Isaac Carlson	Director, Crown Response Unit	9(2)(a)	
Corey Sinclair	Head of Redress, Crown Response Unit	9(2)(a)	✓

Agencies consulted
Public Service Commission and Treasury. The Department of the Prime Minister and Cabinet was informed.

Minister's office to complete

<input type="checkbox"/> Noted <input type="checkbox"/> Seen <input type="checkbox"/> See Minister's notes <input type="checkbox"/> Needs change <input type="checkbox"/> Overtaken by events <input type="checkbox"/> Declined <input type="checkbox"/> Referred to (specify) <hr/>	Comments
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Briefing

Design and transition choices for a new redress system for survivors of abuse in care

For: Hon Erica Stanford, Lead Coordination Minister for the Government's Response to the Royal Commission's Report into the Historical Abuse in State Care and in the Care of Faith-based Institutions

Date: 23 August 2024

Security level:

Priority: High

Report number: CRACI 24/046

Purpose

1. This paper sets out immediate steps that can be taken before July 2025 to establish a new redress system for survivors of abuse in care, with information about structural options and implications for managing existing claims processes.

2. Recommendations

3. It is recommended that you:

- a. **note** the approach to creating a new redress system requires a transitional phase while the functions and capabilities are established and scaled up;
- b. **note** the speed of the capability and capacity building will affect the ability to service the level of demand for redress, and the ability to make changes to existing claims schemes;
- c. **note** as a first step, the following actions could be taken to implementing redress change:
 - a. establish a new business unit within an existing non-care providing department to act as a 'front door' for a specific cohort of survivors (to manage demand);
 - b. survivors in this cohort can begin their redress journey, find access to support services (e.g. counselling), service navigation (e.g. ACC, welfare), and any payments under a new payment framework once operational;
 - c. functions such as payment processing and records management could be retained within one or more claims or other progressing agencies during transition and be accessed from the new business unit;
 - d. some existing functions that deliver healing services or approaches within existing schemes could be absorbed by the

business unit, however this would be dependent on further analysis of the impact on existing claims;

- | | Yes / No |
|--|----------|
| d. agree to the Crown Response Unit (CRU), with the support of the Public Service Commission, preparing a high-level design for a new business unit within an existing non-care department, that can build the capability and capacity to meet redress demands, with a phased implementation plan for establishing a unit, incorporating considerations for affordability, and feasibility of changes to existing claims processes; | |
| e. agree an update on this work is reported back to joint Ministers by 24 September to inform early implementation decisions that need to be sought through the October Cabinet paper; | |
| f. agree CRU work with the Treasury on the development of a funding model for both redress and operational expenditure, noting this comes with significant fiscal implications that will require Cabinet consideration; | |
| g. agree CRU work with claims agencies to develop advice on the phased implementation plan; | |
| h. note , in parallel with this work, CRU is continuing to seek redress policy design decisions in October and November and these will be informed by the work on the funding model and implementation and transition planning; | |
| i. note the CRU will engage with relevant agencies, survivor representatives (in particular the Redress System Design Advisory Group), and non-State care organisations as part of implementation planning, and its associated feasibility assessment; | |
| j. note there are choices for a new entity structure for the desired end state for the redress system; and | |
| k. note there are options that could assist existing schemes to support faster claims processing while transitional arrangements are put in place. | |



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24 / 08 / 2024

The redress work programme has been focused on a stepped approach on key questions, but this can be revised to deliver aspects of improved redress faster

4. Cabinet has agreed to the following objectives for redress:
 - a. Delivers accountability for survivors, including acknowledging harm survivors experienced and obligations to help prevent future abuse
 - b. Supports improved outcomes for survivors, which could encompass improved quality of life, and the ability to more fully participate in all aspects of community, social, cultural, and economic life
 - c. Manages affordability, risks, and liability, helping to ensure the sustainability of redress for as long as it is needed
 - d. Contributes to reducing the negative social, cultural and economic costs arising from survivors' poor outcomes due to their abuse
5. Ministerial Group – Crown Response to the Abuse in Care Inquiry (the Ministerial Group) has been working through five high-level questions to support decisions being sought by Cabinet in a two-step process, with draft options being endorsed for consultation before coming back for final decisions:
 - a. what redress entails – what is provided;
 - b. who redress covers;
 - c. how redress is structured;
 - d. how redress is funded; and
 - e. how the detailed processes and systems are developed – what does detailed design involve.
6. The Ministerial Group has provided feedback on what redress entails at a high level (the redress functions) and who redress covers (the redress eligibility parameters). Discussions on structure, funding and detailed design had been scheduled for different upcoming Ministerial Group meetings. However, these can be considered in a different way to fulfil the need for an accelerated response to the Royal Commission's findings.
7. Cabinet decisions on high level design of the new redress system will be sought in October 2024 with decisions sought in November 2024 on approach to implementation and transition.
8. This paper sets out a potential transitional approach for redress that uses an interim redress structure to deliver a changed redress experience, while detailed work is done on a new redress entity. It is expected interim funding arrangements would be needed while the overall funding approach is developed as part of the detailed design.

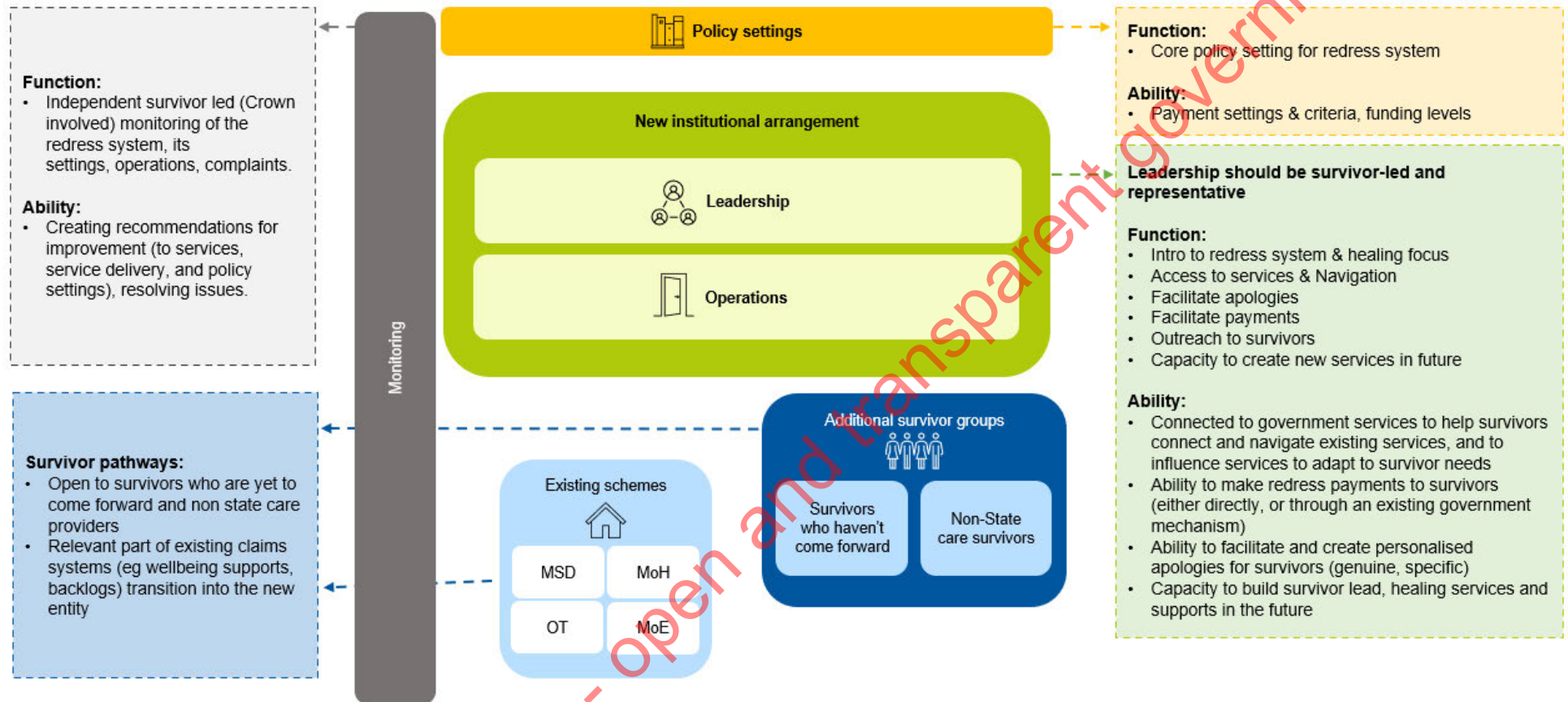
Ministerial oversight of redress funding, transition and implementation

9. To progress work on redress at pace, and inform the necessary decisions needed from Cabinet, the draft Accelerating the Crown Response Cabinet paper proposes establishing a subgroup consisting of yourself, the Minister of Finance/Minister for the Public Service, the Minister for Social Development and Employment/Minister for Disability Issues, and the

Minister for ACC/Minister for Mental Health to oversee funding, transition and implementation decision, noting these will also require endorsement by Cabinet.

A new redress system requires new capabilities to deliver its key functions

10. Appendix One summarises what survivors and the Crown are looking for with redress. To achieve improved outcomes a significant shift is required to deliver redress, in terms of what is delivered (e.g., services, and access to them), and how it is delivered (e.g., to support healing, with survivor choice).
11. The figure on the following page seeks to summarise, from an organisational perspective, the components of a well-functioning redress system.
12. This summary concept is yet to be discussed with members of the former Design Group (intended to be reappointed shortly as the Design Advisory Group) in this format. Whilst it broadly aligns with recommendations from the Royal Commission and incorporates many aspects of the Design Group's high-level design proposals, engagement is needed with the Design Advisory Group, other survivor representatives, and non-State care organisations to ensure the concept is appropriately articulating the core features.
13. The concept has services, approaches, and capabilities that are not present or only found in part in the current state (that is, the current range of State and non-State claims processes). Major change is needed to establish a new redress system that can meet the objectives and key survivor needs summarised in Appendix One. It is clearly understood that meaningful action is urgently sought by both Ministers and survivors.



Key considerations in transitioning to a new redress system

14. With few of the needed approaches and capabilities in place, much of a new redress system needs to be created. This is in terms of what is provided, how it is provided, and how it is led. This makes the significant shift that is required to deliver redress more challenging to do, as the capability and capacity does not yet fully exist. A transitional phase is needed.
15. The transitional phase will be affected by the following considerations:
 - a. The new payments framework (covering who is entitled, what they are entitled to, how payments will be structured, and evidence thresholds) is essential for any new system to be an improvement on the existing claims approaches. The payment structure (e.g. provision of some form of early payment with a lower evidence threshold) will also enable financial components of redress to be delivered more expediently for survivors. The payments framework will significantly affect the content of the new redress delivery, and when it can be operationalised from.
 - b. Clarity of the status of claims in existing schemes (e.g. what is available from current claims processes, and from a new redress system), and the ability for existing schemes to adjust to the new payments framework (e.g. changes to systems and processes, and any legal proceedings underway). This cannot be fully explored until the payments and apologies frameworks are agreed.
 - c. The speed at which functions can be established in a way that is stable, enduring, can build capacity to meet demand, and develop capability for the services, and approach required (e.g., healing, service navigation, outreach).
 - d. The ability to manage demand, including manage backlogs in existing claims schemes (approaching 4000 survivors at present), survivors with critical/urgent care needs (yet to be formally agreed), and survivors who are yet to come forward (a potentially large and unknown number).

Meaningful changes can be made in a transitional phase to build momentum, and respond to survivors needs

Responding quickly with a new business unit to develop capability, capacity, and new functions

16. To create independence from care settings, while working through the full range of options for a potential new redress entity, a business unit in an existing non-care department could be established as a transitional structure.
17. Establishing a new business unit by July 2025 with the full range of functions and capabilities required for a comprehensive redress system would require a very significant investment in specialist resources, as many of the required approaches and capabilities do not exist. Attempting to create a full-scale new business unit covering all redress functions would risk trying to do too much too soon in a complex and sensitive survivor environment.
18. It is advised to take the necessary care and time with developing a new redress system, which can be done in smaller meaningful steps by establishing a business unit on a smaller

scale with the intention to grow capability and capacity at a rate that is sustainable and manages risk.

19. A new business unit could be established within an existing non-care providing department to act as a 'front door' for survivors (noting it will be important to manage demand). Survivors can begin their redress journey, find access to support services (e.g. counselling), service navigation (e.g. ACC, welfare), and any payments under a new payment framework once operational. It is possible to have an initial focus on providing financial redress as survivors access the system.
20. Functions such as payment processing and records management could be retained within one or more claims or other progressing agencies during transition and be accessed from the new business unit. Some existing functions that deliver healing services or approaches within existing schemes could be absorbed by the business unit, however this would be dependent on further analysis of the impact on existing claims.
21. There needs to be enough independence from agencies that provide care to be able to engage and build trust for survivors. The new business unit could also be boosted with subject matter expertise for specific populations (e.g., Whaikaha for disabled survivors), and draw on experienced survivor advocacy and support groups.
22. It is proposed to develop a design and phased implementation approach for such a business unit (with more detail set out in the final section of this paper), that includes what can feasibly be achieved, by when, with what risks and needs. Determining what is feasible will include consideration of funding needs for redress as well as operational costs of managing a redress system. This will be developed with Treasury, noting that these proposals come with significant fiscal implications that will require Cabinet consideration and funding decisions.
23. The proposed transitional approach needs to be tested with the Design Advisory Group (subject to its establishment, through the upcoming Cabinet Appointment and Honours Committee paper) to identify potential survivor issues or concerns with such an approach and what processes or changes might be needed to create reassurance and build trust.

Developing the future state, including a new entity, system monitoring, and system policy

24. Once established and operating, the new business unit can drive the following activities:
 - a. developing outreach for survivors who are yet to come forward;
 - b. supporting survivors to access and navigate support services that currently exist;
 - c. boosting capability and capacity in all these areas including within the survivor community to encourage peer-to-peer support;
 - d. develop new systems (e.g., a centralised payments mechanism, and/or exploring adjusting existing payment mechanisms); and
 - e. co-ordinating and boosting capability amongst community and faith-based organisations to deliver Redress functions such as navigation.

25. Looking ahead to the future desired state of the redress system, there are several options for institutional arrangements. See Appendix Two for the range of options the Public Service Commission has identified for possible institutional arrangements for the longer-term creation of a new redress entity.
26. The proposal in the previous section to establish a business unit within an existing department in the transitional phase is essentially the first option in Appendix Two. Selecting the suitable structural approach for the duration of the redress system does not need to be made immediately, as more can be learnt during the transitional phase to determine exact needs and suitability.
27. A redress system monitoring role needs to be established with Crown input (e.g., for any required legislation or funding), as well as survivor voice. The Government could establish a mechanism to be responsible for the oversight of the redress system, including a payments framework, any remaining claims processes, and to interact with the 'redress system monitoring' function. This can be achieved by allocating a non-care agency the role of system stewardship.
28. These concepts can be designed further with the input of the proposed Design Advisory Group (once established), and other survivor groups (such as the Board of the Survivor Experience Service) subject to agreement to consult. A full range of agencies are also yet to be consulted.

Options for managing claim backlogs and existing claims processes

Backlogs cannot transition immediately

29. Existing claims agencies' backlog of claimants have the following considerations:
 - a. Backlogs can only transition to the new business unit when it has the capacity to absorb the volume of claimants. The new redress system needs new functions and services, and so will need considerable time to build capability before being able to transition claims.
 - b. Additionally, it needs to be clear to survivors whose claims are backlogged, whether their existing claim is being closed and a new one is opening on new terms in the new Business Unit; or, if the claims will transition; and, what this means to each survivor in terms of their rights to redress. This will be significant for survivors who are being legally represented in their current claim, noting that the new redress system is intended to be an alternative to a litigious approach.
 - c. Survivor voice and agency are a key aspect of the new redress system. Survivors should therefore be able to choose to move away from their claim process into a new system.
30. Once operational, a new business unit could be boosted with processing teams from existing claims processes to process as much as possible of survivor's claims, as quickly as possible, under a new payment framework (once agreed). However, the following considerations apply:

- a. the Royal Commission and Design Group have advised that functions in existing claims schemes do not meet the needs of survivors, and leading with this approach may create tension between the new Business Unit and survivors, affecting the ability to create independence and build trust. Whilst this approach can be considered, caution and engagement with survivors is needed to create understanding of what is sought to be achieved by this.
- b. moving staff into the new business unit may reduce the existing claims function's capacity to manage their existing backlogs

Option to increase capacity in existing claims processes

- 31. It is feasible to consider boosting the funding of existing claims processes to improve the speed of payments and existing claims. The new payments framework enabling payments prior to the finalising of a claim needs to be simpler to operate with more survivors receiving redress payments sooner, and significantly lower the burden of evidence and documentation needed to receive some payment. This may enable existing schemes to at least progress claims faster, and possibly not need to transition to a new Business Unit.
- 32. As with the option to transition staff into a new business unit, it is important to acknowledge the tensions between survivors and existing schemes noted above, and caution and engagement with survivors is needed to create understanding of what is sought to be achieved by this.
- 33. This has the following considerations:
 - a. there will be a delay (potentially a few months) between increasing funds and having an impact, as new staff will need to be recruited and trained;
 - b. amending existing frameworks and approaches for the new payment framework may be costly, especially when there is already little consistency across approaches; and
 - c. there may be confusion between the existing claims processes, and what is available through the new Business Unit

Functions existing claims processes can retain for the foreseeable future

- 34. Existing claims processes can continue to make payments both to their existing claims, and as a back-office function to a new business unit whilst a new centralised payments mechanism is selected and developed. This will be the fastest mechanism to enable the new Business unit to make payments, while a more permanent and centralised option is selected and built. This may require some costs to create the changes (e.g. system alterations, or staffing to cater to the volume)
- 35. Records management has many complex privacy considerations and can be managed as a back office function within existing agencies, on behalf of the new business unit.

Next steps in developing the transitional phase for a new redress system

- 36. Subject to your feedback, and discussion with key colleagues, to progress the concept outlined in this paper the CRU will:

- a. develop survivor engagement to build survivor voice and agency into the design process (e.g., with the proposed Design Advisory Group) and engagement with non-State care organisations;
 - b. prepare a design for a business unit that can be established to manage the functions outlined in earlier sections, and a phased implementation plan of what can be delivered, by when, with what needs and investment, including a feasibility analysis. This will include:
 - i. where the business unit can be located (e.g. within a non-care agency);
 - ii. functions and services that currently exist that can transition into it (including consequential impact on existing claims schemes);
 - iii. how it can develop to address the backlogs in other agencies;
 - iv. engaging with agencies to contribute to design and feasibility;
 - v. ensuring non-State care providers and survivors of abuse whilst in their care can join and access the system;
 - vi. engaging with survivor communities, non-state and faith-based organisations and agencies; and
 - vii. funding needs, considerations and options (for both redress and operational expenditure needed for the system), noting that proposals will come with significant fiscal implications that will require Cabinet consideration and funding decisions.
 - c. work with Treasury to develop a transitional funding model for the business unit and the longer-term funding model for a new redress entity. The transitional funding model will cover redress payments as well as the operational expenditure needed to operate redress, and enable phasing to the longer-term model as the system needs are confirmed.
37. It is proposed to seek policy decisions from Cabinet in mid-October on redress functions, eligibility parameters, apology and payment frameworks. These will be important to confirm for the business unit design as well as the end state for a new redress system. Cabinet decisions on the transition and detailed design process for a new entity, including proposals for legislation and funding to be sought through Budget 2025, would then be sought in December.

Appendix One: What survivors and the Crown are seeking for redress

What survivors have said matters

- To be heard and believed, sharing their experiences in a respectful, sensitive manner
- Genuine acknowledgment of their experiences and the harm caused to their lives
- To access a range of supports that assist in healing, resolution, and empowerment
- To be treated as a person rather than part of a process
- The opportunity for accountability and justice

What the Royal Commission and Design Group recommended

- Improved integration to enable survivors to navigate systems and services more easily
- Increased independence – for redress to be delivered independent from institutions responsible for abuse
- More meaningful payments and apologies
- A focus on healing and improved wellbeing
- Enabling survivors to have choice and control over their redress journey

The Crown's objectives for redress

- Delivers accountability for survivors, including acknowledging harm survivors experienced and obligations to help prevent future abuse
- Supports improved outcomes for survivors, which could encompass improved quality of life, and the ability to more fully participate in all aspects of community, social, cultural, and economic life
- Manages affordability, risks, and liability, helping to ensure the sustainability of redress for as long as it is needed
- Contributes to reducing the negative social, cultural and economic costs arising from survivors' poor outcomes due to their abuse