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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	Early advice on transition choices for delivering redress 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

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

Early advice on transition choices for delivering redress for survivors of abuse in care			
Date:	5 September 2024	Security level:	
Priority:	High	Report number:	CRACI 24/053

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	<p>This paper seeks your agreement for the Crown Response Unit, with the support of the Public Service Commission, Treasury, and impacted agencies, to develop detailed design of the:</p> <ul style="list-style-type: none">• functions required for a minimum viable product for redress delivery; and• mechanisms required to remove the backlogs, and boost the Ministry of Education's and the Ministry of Social Development's ability to progress claims

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		✓

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

Minister's office to complete

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

Early advice on 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: 5 September 2024

Security level:

Priority: High

Report number: CRACI 24/053

Purpose

1. The purpose of this briefing is to provide you with advice on:
 - a. potential options to set up and implement the necessary functions for the new redress system, including;
 - i. adjusting existing claims schemes;
 - ii. creating a new entity for redress; or
 - iii. creating a transitional state with a strong emphasis on moving away from current claims agencies and moving faster to make payments.
 - b. implications that the options have on existing claim schemes, with a focus on what can be done at pace.

Recommendations

2. It is recommended that you:
 - a. **note** the need for a transitional stage to establish the delivery of redress, using a minimum viable product approach for redress core function delivery; **Noted**
 - b. **note** the structural options for establishing a set of functions to begin delivering core functions of redress, including that establishing a new Crown Entity or NGO is not necessary for a transitional arrangement; **Noted**
 - c. **note** the options to increase capacity in the existing schemes to address backlogs; **Noted**

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|---|-----------------|
| d. note that the survivors to focus on initially, and the type of payment to focus on first, will affect the design of redress core function delivery; | Noted |
| e. agree that the Crown Response Unit will develop a detailed design of the functions required for a minimum viable product for redress core function delivery; | Yes / No |
| f. agree that Crown Response Unit work with claims agencies to develop a detailed design of options to remove the backlogs, and boost the Ministry of Education and the Ministry of Social Development's ability to progress claims; | Yes / No |
| g. note that Crown Response Unit will work with survivor groups to collect insights to inform design challenges and choices; and | Noted |
| h. note that Crown Response Unit will work with Treasury to develop a transitional funding model for the transitional stage and the longer-term funding model for a sustainable redress system. | Noted |



Isaac Carlson
Director, Crown Response Unit

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

5 / 09 / 2024

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The Ministerial Group has endorsed five functions for redress and has had initial advice on independence and integration options for a new redress system

3. The Ministerial Group has endorsed five functions for a redress system:
 - a. provide a safe, supportive environment for survivors to share their experiences;
 - b. facilitate acknowledgements and apologies by institutions for abuse in care;

- c. provide financial payments that acknowledge abuse in care;
 - d. facilitate access to support services that enable survivors to restore their inherent dignity; and
 - e. share insights on systemic issues relevant to abuse in care and the harms experienced.
4. The Ministerial Group has had initial information on the high-level structuring of redress, with the proposed following features:
- a. the Crown retaining accountability for key policy parameters and Crown spending;
 - b. redress policy setting and claims decision-making independent of agencies with current or historic care responsibilities;
 - c. a statutory redress monitoring role for survivors, that could extend to providing perspectives on policy and service design and delivery based on survivors' needs and aspirations;
 - d. redress policy setting and claims decision-making independent of agencies with current or historic care responsibilities;
 - e. a statutory redress monitoring role for survivors, that could extend to providing perspectives on policy and service design and delivery based on survivors' needs and aspirations.
 - f. governance that enables survivors to influence the delivery of redress to help meet the needs of diverse survivors; and
 - g. mechanisms which support certainty and sufficiency of funding across financial years and different administrations.
5. Decisions on the high-level structuring of redress will be part of intended Cabinet papers in October and December. The functions reflect a significant change in the focus and scale of redress to be offered to survivors of abuse in care, based on the findings of the Abuse in Care Royal Commission of Inquiry (the Royal Commission). They are also subject to Cabinet decisions (intended to be taken in October 2024).
6. In anticipation of potential decisions in support of the provision of redress independent from agencies with current or historic care responsibilities, this briefing provides early advice on a potential transition approach.

A transitional approach will likely be needed to establish a new redress system

7. Subject to Cabinet decisions on the full range of redress functions, the configuration of those functions and the desired pace for new redress to be available, a transitional approach will likely be needed to ensure that priority elements of improved redress can be delivered as promptly as possible.

8. A transition would support the management of demand, the establishment of new capabilities and capacities, and allow for due time and care to be taken to manage sensitive issues for survivors, in a way that is fiscally responsible and sustainable.
9. The following sections set out initial thinking on options for managing a transitional approach for redress. The focus is on the immediate steps that can be taken, acknowledging the steps still require some time to work through to avoid creating changes that need to subsequently be rolled back and to help create the capability and capacity needed for the longer term establishment of the full set of intended functions. There are consequential choices about how to manage the existing claims schemes and their backlogs.
10. These options acknowledge machinery of government changes that may be needed to enable them, with input from the Public Service Commission (PSC). In general, such machinery changes are expected to be relatively low for the transitional state.
11. All options have potentially significant fiscal implications, in terms of the operational costs of delivering redress, and the costs of redress payments. Work on a potential redress payment framework is being progressed, with an initial discussion paper to be provided to your office shortly for review ahead of discussion at the September Ministerial Group meeting. The operational costs for transitional options need to be developed in detail with input from claims agencies and the Treasury.

A transitional approach needs to include some supports and services along with payments

12. As noted above, the Ministerial Group has endorsed one of the functions for redress is facilitating access to supports and services. This reflects that survivors have experienced serious trauma and payments alone will not create more positive life outcomes.
13. Claims agencies, in particular the Ministry of Education (MoE), have been piloting improved access to support services for claimants. The Crown Response Unit (CRU) is also working with the Ministry of Business, Innovation and Employment (MBIE) and ACC to clarify survivors cover and entitlements under ACC (with a focus on Lake Alice survivors but which also applies to wider survivors). Along with broader support design work being progressed by the CRU, it is highly likely there will be options for any transitional approach to incorporate access to some supports and services, in particular the option of improved navigation to the existing wider support ecosystem.

Establishing a start point for delivering an improved redress experience

14. To begin a transition from claims agencies into a new redress system, in anticipation of Cabinet decisions, the minimum viable product (MVP) for establishing and delivering redress will need the following components:
 - a. initial contact with survivors –to inform them of the redress system, process, and their rights; establishing suitable contact options and methods to be able to accessibly engage survivors;

- b. initial service navigation – supporting survivors to progress their redress by improving access and use of existing support services (e.g. Work and Income, ACC, social housing providers);
 - c. eligibility assessment – developing a trauma-informed approach to assessing eligibility for redress payments; and
 - d. facilitating payments – organising payments to survivors. In the first instance, this will likely be using an existing claims scheme as a back office (e.g. the Ministry of Social Development (MSD) and/or MoE who both have the capability to pay large quantities of survivors one off lump sum payments).
15. To create and maintain survivor trust and relationships, a formal commitment to the long-term phase is still needed. This may look like committing to a timeframe or long-term phase plan that clearly shows the transitional approach and long-term view, as well as ensuring survivors are involved in the planning process and are regularly updated.
16. Any survivor should be able to register with the new scheme, noting that they may not be prioritised at this time, depending on which survivor cohorts are prioritised, and which payment types are initially included.
17. Establishing the MVP to deliver redress needs to be created in a way that the redress system can build maturity and can develop the additional functions needed to deliver a full redress service and system (intended to be taken to Cabinet in October 2024 as part of a set of initial decisions on the functions and scope of redress). Whilst these functions need not be designed immediately, they will quickly be required if the system is to develop as intended. These include:
- a. system governance – Crown and survivor governance having oversight of the redress system, being able to make recommendations that bring meaningful change to Crown, survivor groups and communities, and redress operations (subject of anticipated Cabinet decisions in October);
 - b. system monitoring – independent monitoring of the redress system and its development that can provide system governance with meaningful inputs, ensure improvements are identified, and relevant policy settings can be adjusted for better operation of the system (subject of anticipated Cabinet decisions in October);
 - c. data support systems – this includes data sharing agreements with existing claims schemes to provide access to survivors’ care records as well as any records of their past claims. Significant work is needed to identify which case management tool within existing claims schemes would be best fit for the redress system;
 - d. additional necessary functions for delivering redress – the MVP will need to develop: proactive outreach to find, identify and connect with survivors; supports and services for survivors; facilitating personal apologies and records access; case reviews; and, making further additional payments. Note that it may be plausible to transition some existing functions and services from schemes into the MVP if relevant; and

- e. developing capability and capacity to meet demand – the MVP (possibly supported by departments such as CRU and subject matter experts from other relevant agencies) will need to develop workforce capability to meet demand, and establishing more sustainable working practices (e.g. a dedicated payments mechanisms not tied to a care-agency).

Options for establishing the MVP for delivering redress

18. The following four approaches outline the possible structuring the MVP for delivering redress in the immediate transition phase. An analysis of these options is included in Appendix A.
- a. Establish a departmental unit - establish the core functions as a specific functional business within a non-care agency (e.g. within the Department of Internal Affairs (DIA), or MBIE), recruiting staff and leadership. Further exploration of this is recommended including what department might be appropriate, including any need for independence from care agencies and established with a clear sense of independence.
 - b. Establish a federated redress system - contracting a range of existing state and non-state functions (e.g. the Survivor Experience Service (SES), ACC, Whānau Ora Commissioning Agencies, Ministry of Justice Kaiārahi, MSD Community Connectors, People First, New Zealand Disability Support Network) to deliver the core redress functions using a common framework. This needs co-ordination from a central point, which could be delivered from an existing non-care agency during the transitional state. Further consideration of this option is merited, exploring specifically which organisations could be networked with what mechanisms to deliver the core functions of redress.
 - c. Expand the existing entity, SES - the SES is an existing entity that may be expanded to deliver core redress functions, by increasing headcount and mandate, amending the role of the organization, and developing the leadership capability. It may be more viable for the SES to remain as a function, potentially a part of providing initial contact services, within a new departmental unit or federated model.
 - d. Expand the existing entity, ACC - ACC currently processes sensitive claims may be expanded to deliver core redress functions. Our initial assessment is this is not a feasible transitional option as survivor trust in ACC is low and it would require significant legislative change. Decisions are expected to be taken through the Cabinet decision making process around the future role of ACC within the redress system.

The current state of claims in agencies

19. As of May 2024, there have been 4229 claims settled by the state, and an estimated 1266 claims settled by the large non-state care and faith-based organisations. Times to process payments in MoE and MSD range currently from 6 months to more than 5 years.

Current agency claims queues

MSD	MoE	Ministry of Health (MoH) (as of September 2024)
3381	362	Approx. 5

20. As per the table above, the number of claims is approaching 4,000 survivors at present and continues to increase, on the back of higher number of claims being lodged in the wake of the tabling of the Royal Commission's final report.

Considerations in managing backlogs in existing claims schemes

21. The backlogs cannot be easily or immediately transferred to a new service or entity for the following reasons:
- the capacity and capability needed in the new redress scheme to manage the increasing volume of claims;
 - survivors need to be able to choose how and whether they will proceed with their original claim with existing claims agencies, transfer to the new redress system, or have the ability to do both;
 - these options must be communicated clearly to all survivors whose claims are currently backlogged to ensure they are made aware of all available options;
 - approximately half of survivors whose claims are currently backlogged are legally represented. Workforce and system constraints within court processes and existing claims agencies influence and contribute to the delay in survivors' claim settlements. Further work is needed to set out possible options that are feasible in assisting with the legalities of claims backlogged in legal proceedings as well as ensuring survivors are not detrimentally affected as a result; and
 - any change or resolution for the survivor under a transitional approach would require the redress system to engage with their legal representatives to discuss the potential options as well as how they can further support their clients within the new redress system.

Considerations for existing claims schemes and backlogs in the immediate term

22. Existing schemes will need to remain open and operational for the duration of a transitional stage as a minimum, providing survivors the option to seek redress through their preferred channel.
23. While the transitional stage is underway, it is possible to invest further in the existing schemes to support survivors to progress their redress further, faster. It should be noted this would be in addition to the new redress functions being established (and not instead of).

Options for boosting existing claims schemes and managing backlogs

24. The following two options can be considered (together or separately) to boost existing claims schemes and manage backlogs:

- a. Address MSD and MoE backlogs – the Crown can put forward an offer for all legally represented claimants within these backlogs that address the concerns raised in individual legal representation. Although this option results in engaging with claimant's legal representation which may be costly, time consuming and litigious, if successful it could progress approximately 2,000 claims.
- b. Boost MSD and/or MoE claims schemes – increase capacity to process more claims. This could be done at scheme level, or targeting specific groups (e.g. MoE claims often focus on a small number of schools enabling a targeted and streamlined approach to be developed). This option has the following considerations:
 - i. requires a lower evidence and eligibility threshold, and simpler payments framework;
 - ii. requires investment in revised processes and change management;
 - iii. delay of 3-6 months to create an impact on cases due to process design, recruitment and training;
 - iv. not supported by the Royal Commission or by the High-Level Design proposals; and
 - v. could be considered inefficient as MoE, MSD and a new redress system will be invested in concurrently.

25. Both options ensure survivors who have started claims with existing agencies will be able to reach completion and receive payment sooner than expected, as well as reduce their individual ongoing litigation costs.

26. Survivors will still be able to access to the new redress system for additional redress functions (e.g. navigation, additional supports and services).

27. The existing schemes can also provide support for the new redress MVP in the following ways:

- a. promote and support survivors to connect with the new redress MVP;
- b. provide some subject matter expertise to the new redress MVP, e.g. service navigation; and
- c. provide back-office services such as processing payments (e.g. via MSD and MoE who both have the capacity make one-off payments to individuals).

Next steps

28. CRU will develop a detailed design of the functions required for a MVP for redress delivery, including:
 - a. developing a recommendation on a host business unit or federated model for the MVP with existing schemes, organisations, and units (e.g. SES);
 - b. exploring the options for different payment types to focus on initially; and
 - c. developing options for survivor populations to focus on initially.
29. CRU will develop a detailed design of the mechanisms required to remove the backlogs, and boost MoE and MSD ability to progress claims.
30. In doing the above, CRU will:
 - a. engage agencies, especially MSD and MoE, on design considerations for the MVP, and options for managing backlogs and existing schemes; and
 - b. engage survivor groups for insight around key design challenges and choices, including the proposed Design Advisory Group (subject to its establishment, through the upcoming Cabinet Appointment and Honours Committee paper).
31. CRU will work with Treasury to develop options for a transitional funding model for the transitional stage alongside the longer-term funding model for a sustainable redress system. 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.
32. It is intended to seek policy decisions from Cabinet in October on redress functions, eligibility parameters, and the initial high-level structuring of redress. These will be important to confirm for the transitional stage design as well as the end state for a new redress system. Cabinet decisions on the transition and detailed design process for a new redress system, including proposals for legislation and funding to be sought through Budget 2025, are then intended to be sought in December.

Appendix One: Analysis of options for establishing the MVP for delivering redress

Option	Establish a departmental unit	Expand an existing unit: Survivor Experience Service	Expand an existing unit: ACC	Federated Redress System
Description	Establish the core functions as a specific, functional business within a non-care agency (e.g. within DIA, MBIE or PSC), recruiting staff and leadership.	This may be expanded to deliver core redress functions, by increasing headcount and mandate, amending the role of the organization, and recruiting and developing the leadership capability.	ACC currently processes sensitive claims which could be expanded to deliver core redress functions.	Contracting a range of existing state and non-state functions to deliver the core redress functions using a common framework. This needs co-ordination from a central point, which could be delivered from an existing non-care agency (e.g. CRU) in the transitional stage.
Strengths	<p>Minimize disruption for the Crown</p> <p>Lower need for change management and disruption within existing units.</p> <p>Single point accountability</p> <p>Accountability may be managed specifically and deliberately for the purposes of redress. It will not contradict or compete with an existing team's duties.</p> <p>Speed to delivery</p> <p>Leveraging existing infrastructure will enable quicker set up. It is possible that a new entity may absorb existing teams or workforces to speed up delivery of core functions (e.g. SES), improving speed to delivery.</p> <p>Crown funded</p> <p>Enables recommendations 62-64 stating the system should be crown funded; and recommendations 66, 69, 72-74 and 77 stating the system should be crown supported.</p>	<p>Alignment with Royal Commission Recommendations</p> <p>Supports recommendation 94(IR) and 27, stating that redress should include SES.</p> <p>Single point accountability</p> <p>Accountability may be managed specifically and deliberately for the purposes of redress. It will not contradict or compete with an existing team's duties.</p> <p>Speed to delivery</p> <p>Leveraging existing infrastructure will enable quicker set up. It is possible that a new entity may absorb existing teams or workforces to speed up delivery of core functions (e.g. navigation services), improving speed to delivery.</p> <p>Crown funded</p> <p>Enables recommendations 62-64 stating the system should be crown funded. And recommendations 66, 69, 72-74 and 77 stating the system should be Crown supported.</p> <p>Skilled workforce and specialist capability</p> <p>This aligns with recommendation 11 stating that process of redress should be trauma informed and delivered in a culturally sensitive and linguistically appropriate manner.</p>	<p>Speed to delivery</p> <p>Leveraging existing infrastructure will enable quicker set up. The Royal Commission has recognized ACC's existing administrative capability to provide access to support.</p> <p>Single point accountability</p> <p>Accountability may be managed specifically and deliberately for the purposes of redress. It will not contradict or complete with an existing entity's duties.</p>	<p>Speed to delivery</p> <p>Leveraging existing infrastructure will enable quicker set up. It is possible that a new entity may absorb existing teams or workforces such as the SES, improving speed to delivery.</p> <p>Survivor choice</p> <p>By engaging trusted entities, already engaged ion survivor communities, the redress system will be enabled to deliver better choice and custom support to meet the unique needs of different survivor cohorts. This aligns with recommendations 37-39(IR).</p> <p>Targeted Crown accountability</p> <p>This approach enables the Crown be held accountable and have oversight over key areas of responsibility without overstepping this requirement and risking survivor independence of choice. This aligns with recommendations 62-64(IR) and recommendations 66, 69, 72-74 and 77(IR); as well as recommendations 37-39(IR) and stating the system should be Crown supported.</p> <p>Opportunity for Independence</p> <p>This approach enables the opportunity for the crown to meet recommendation 17(IR), stating that redress should be independent from the Crown.</p>
Weaknesses	<p>Level of Independence</p> <p>This approach would align with the Royal Commission's recommendation for redress to be independent of agencies with current or historic care responsibilities, but would not align with the Redress Design Group's</p>	<p>Level of Independence</p> <p>This approach would align with the Royal Commission's recommendation for redress to be independent of agencies with current or historic care responsibilities.</p>	<p>Level of Independence</p> <p>This approach would align with the Royal Commission's recommendation for redress to be independent of agencies with current or historic care responsibilities, but would not align with the Redress Design Group's</p>	<p>Dispersed accountability</p> <p>There is a risk that a dispersed model by see a lack of accountability or consistent experience. This can however be managed via a strong monitoring and coordinating function.</p>

	<p>recommendation that redress should be independent of the Crown.</p> <p>Low trust amongst survivors</p> <p>The Royal Commission found some survivors have low trust of government agencies in general. This may mean survivors do not come forward or refuse to engage. This may be managed by outsourcing outreach and navigation functions to trusted entities.</p>	<p>Significant change in role and direction</p> <p>SES is a passive listening service with minor navigation. The core functions of delivering redress require immediate and active roles. This will be a large change management challenge from within a function.</p>	<p>recommendation that redress should be independent of the Crown.</p> <p>Significant changes in legislation required</p> <p>Adequate access to ACC services for survivors would require a significant change in legislation surrounding ACC's no-fault setting.</p> <p>Low trust amongst survivors</p> <p>The Royal Commission found that some survivors have had re-traumatizing experiences when engaging with ACC.</p>	<p>More difficult to manage equity and consistency</p> <p>There is a risk that a dispersed model may see consistent experiences and comparison between schemes leaving survivors feeling dissatisfied. This can be managed through service standards, monitoring and referral processes.</p>
Conclusions	<p>Further consideration merited. Exploring what could be established in what department, noting that this would need to be separate from care agencies and established with a clear sense of independence.</p>	<p>Further consideration merited. This would be a large change to an active role, for a small organisation with a passive role. It is more viable for the SES to remain as a function, potentially a part of providing initial contact services, within a new departmental unit or federated model.</p>	<p>Not recommended. The impact on ACC sensitive claims would be large, some survivors have very negative views of this organisation, and there are major legislative challenges that other options do not have.</p>	<p>Further consideration merited. Exploring specifically which organisations could be networked with what mechanisms to deliver the core functions of redress.</p>