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Mā Whakarongo me Ako ka huri te tai
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	Determining the fiscal envelope for individual redress for torture at the Lake Alice Child and Adolescent Unit	Date to be published	7 May 2026

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

- Further information about redress for Lake Alice survivors can be found here: [About torture redress for Lake Alice survivors | Crown response to the Abuse in Care Inquiry](#)

Briefing



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Determining the fiscal envelope for individual redress for torture at the Lake Alice Child and Adolescent Unit

Date:	13 June 2025	Security level:	
Priority:	Urgent	Report number:	CRACI 25/064

Actions sought

Hon Nicola Willis
Minister of Finance

Hon Erica Stanford
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

Hon Judith Collins KC
Attorney General

This paper seeks your decision on the fiscal envelope available to the independent arbiter, to allocate financial redress to claimants who have elected the individual pathway for Lake Alice torture redress.

Contact for discussion

Name	Position	Telephone	1 st contact
Rajesh Chhana	Chief Executive, Crown Response Office	9(2)(a)	
John Henderson	Head of Corporate Services, Crown Response Office		✓

Agencies consulted

Public Service Commission, The Treasury

Minister's office to complete

- Noted
- Seen
- See Minister's notes
- Needs change
- Overtaken by events
- Declined
- Referred to (specify)

Comments

Briefing



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Fiscal envelope for the individual pathway – Redress for torture at the Lake Alice Child and Adolescent Unit

For: Hon Nicola Willis, Minister of Finance
Hon Erica Stanford, 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
Hon Judith Collins KC, Attorney General

Date: 13 June 2025

Security level:

Priority: Urgent

Report number: CRACI 25/064

Purpose

1. This briefing seeks your decision regarding the fiscal envelope for Lake Alice torture redress claims being assessed within the individual pathway.

Recommendations


2. It is recommended that you:
 - a. **note** on 16 December 2024, Cabinet [CAB-24-MIN-0516 refers]:
 - i. agreed to set up the “Lake Alice Unit torture-redress payments tagged operating contingency” of \$22.68 million to provide for the following:
 - o funding of up to \$19.56 million for redress payments for up to 120 survivors of torture;
 - o funding of up to \$3.12 million for independent legal advice for claimants, remuneration for the independent arbiter, and operating the process;
 - ii. agreed the fiscal envelope for the individualised pathway be determined jointly by the Minister of Finance, the Lead Coordination Minister, and the Attorney-General, in consultation with the Associate Ministers of Finance (Hon David Seymour and Hon Shane Jones), within the \$19.56 million for redress payments; and
 - iii. authorised the Minister of Finance and Lead Coordination Minister jointly to approve drawdown of funding from this tagged contingency and establish any new appropriations as necessary;
 - b. **note** on 9 June 2025 Cabinet approved an additional \$7.000 million funding to provide for the fiscal envelope associated with the Crown’s obligated payments for the individual pathway and any new registrants to the redress process [CAB-25-MIN-0190 refers];

- c. **note** in February 2025, the Lead Coordination Minister notified Cabinet of her intention to appoint Hon Paul Davison KC as the independent arbiter responsible for making determinations on individual financial payments to survivors of torture at the Lake Alice Unit [CAB25-MIN-0018 refers];
- d. **note** thirty-nine survivors have chosen the individual payment process with a one-off payment to be determined by the independent arbiter starting at no less than \$150,000 each;
- e. **note** that if a claimant elects to take an expedited payment after initially choosing the individual pathway the fiscal envelope will reduce by ~~\$0.15~~ *\$230 k* million; and *(average individual payment amount)*
- f. **agree** a fiscal envelope of up to \$8.85 million to be available to the independent arbiter to determine individual redress payments.

Minister of Finance YES / NO

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 YES / NO

Attorney General YES / NO


 Rajesh Chhana
 Chief Executive, Crown Response Office
 Crown Response to the Abuse in Care Inquiry


 Hon Nicola Willis
 Minister of Finance

13 / 06 / 2025

29 / 06 / 25


 Hon Erica Stanford
 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


 Hon Judith Collins KC
 Attorney General

22 / 06 / 25

24 / 06 / 25

Background

3. On 16 December 2024, Cabinet agreed to provide redress for torture at the Lake Alice Child and Adolescent Unit (the Lake Alice Unit) administered by the Crown Response Office (CRO). The *Lake Alice Unit Torture Redress Payments* tagged operating contingency of \$22.68 million was established, providing up to \$19.56 million for redress payments (based on an estimate of 120 eligible survivors of torture) and up to \$3.12 million for independent legal advice for claimants, remuneration for the independent arbiter, and operating the process.
4. The approach to payments recognising torture has two pathways:
 - a. An expedited payment process with a fixed payment of \$150,000, or
 - b. An individual payment process with one-off payments to be determined by an independent arbiter and with an overall envelope which enables payments that reflects survivors' different experiences of torture.
5. The fiscal envelope for the individualised pathway is to be determined jointly by the Minister of Finance, the Lead Coordination Minister, and the Attorney-General, in consultation with the Associate Ministers of Finance (Hon David Seymour and Hon Shane Jones), within the \$19.56 million for redress payments.
6. In February 2025, the Lead Coordination Minister notified Cabinet of her intention to appoint Hon Paul Davison KC as the independent arbiter responsible for making determinations on individual financial payments to survivors of torture at the Lake Alice Unit.
7. The original forecast of a maximum of 120 eligible survivors has been surpassed (as of 12 June 2025, 135 claimants have been confirmed as eligible, with 96 claimants choosing the expedited payment and 39 electing an individual assessment), consequently Cabinet agreed on 9 June 2025 to an additional \$7.00 million funding for redress payments [CAB-25-MIN-0190 refers].

Determining the Fiscal Envelope for the Individual Pathway

8. The table below sets out how the redress funding is currently committed and the balance remaining for allocation to the fiscal envelope for the individual pathway and to provide for any further applications for expedited pathway before the closing date of 30 September 2025.

Table one: Lake Alice redress funding

Description of funding	Amounts
Tagged contingency for redress	\$19,560,000
Additional funding for redress	\$7,000,000
Total funding for redress	\$26,560,000
Total expedited payments (96 claims at \$150,000)	(\$14,400,000)
Balance remaining for individual pathway and new registrations before 30 September 2025	\$12,160,000

Independent Arbiter Allocation Framework

9. The purpose of the individualised pathway is to provide flexibility and choice to survivors and to meet our international obligations under the United Nations Convention Against Torture. The individualised pathway allows survivors to opt for a payment that considers their personal experiences of torture at the Lake Alice Unit as well as being heard and acknowledged as individuals.
10. In preparing for assessment of claims the Independent Arbiter has developed a 'redress allocation framework' (the framework) for determining differing levels of redress. He has sought and considered submissions from claimants and their counsel in developing his framework.
11. The framework sets \$0.15 million as a starting point for all payments. This means that claimants choosing the individualised pathway will not receive less than those who have chosen the expedited pathway ensuring fairness with the expedited pathway.
12. The arbiter proposes to evaluate claims on severity and impact. There are a wide variety of experiences amongst the claimants. Some will likely be assessed as not requiring payment more than the starting point of \$0.15 million. For those that are assessed as requiring more, the arbiter proposes to allocate claims into three bands:
 - **Severe:** Where the experiences were less severe and the consequences less harmful. Fewer procedures, shorter duration, fewer aggravating circumstances.
 - **More Severe:** Where some of the assessment factors are present to a significant and more severe extent.
 - **Most Severe:** Most egregious cases, where some or all the assessment factors are present to a more significant and more serious or more harmful extent (including multiple abuses and extreme methods).
13. The arbiter proposes to scale redress amounts within and across these bands, using individual and comparative assessments to ensure consistency and recognition of harm.
14. The level of redress that will be determined as applicable for each claimant will be informed by first considering which band the gravity and harmful effects of the torture procedures they were subjected to places them in. This will be followed by a comparison of the individual claim with the other claims placed in that band because of having been assessed as closely comparable.

Proposed Fiscal Envelope

15. The starting point for the fiscal envelope is \$5.85 million, which is based on \$0.150 million per claimant for the thirty-nine claimants in the individual pathway. The next consideration is what further funding should be provided to allow the arbiter to recognise the more severe cases.
16. The fiscal envelope needs to provide the arbiter with sufficient flexibility to allocate a greater sum to those claimants who were most severely mistreated and adversely affected by what they were subjected to in the Lake Alice Unit. Considering the arbiter's framework, the assumption is that very few cases would be allocated to the "most severe" band however they would attract a meaningful amount in addition to the starting point.
17. Based on discussions with the arbiter, he may look to provide payments of up to 2.5 to 3 times the starting point of \$150,000 (total payments of up to \$375,000 to \$450,000) to a

very small number of claims in the “most severe” band. The arbiter would then scale the amounts for other bands between that and the minimum payment of \$150,000 within the approved fiscal envelope.

18. Claimants in the individual pathway have the choice of reverting to the expedited pathway at any time. For each claimant in the individual pathway that decides during the process to revert to an expedited payment, the fiscal envelope will be reduced by \$0.15 million.
19. The arbiter is yet to consider the claims and allocate them to the proposed bands, however based on his proposed approach and the need to provide him with sufficient flexibility to address individual cases, we recommend that based on average payments of \$0.21 - \$0.23 million an additional \$2.50 - \$3.00 million be allocated for a total fiscal envelope of \$8.35 million - \$8.85 million. This would leave \$ 3.81 – 4.31 million to provide for any further applications for expedited payments before the closing date of 30 September 2025.
20. The table below summarises the allocation of redress funding between the expedited pathway, fiscal envelope for the individual pathway, and for any further applications for expedited payments. Any funding that is not required will be returned to the contingency for implementing Cabinet’s redress decisions.

Table two: Allocation of redress

Redress	Allocation
Expedited pathway payments (\$150,000 for 96 claimants)	\$14,400,000
Fiscal envelope for individual pathway payments (average payments of \$.21 - \$.23 million for 39 claimants)	\$8,350,000 - \$8,850,000
Balance remaining for additional expedited claims (25 – 28 claims)	\$3,810,000 – 4,310,000
Total funding for redress payments	\$26,560,000

Timeline

21. The key milestones for the remainder of the process are outlined in the table below:

Table three: Key milestones

Lake Alice Unit torture-redress: timeline	
By 30 June 2025	<ul style="list-style-type: none"> • Fiscal envelope for the individualised pathway determined by the Minister of Finance, the Lead Coordination Minister, and the Attorney-General, in consultation with the Associate Ministers of Finance (Hon David Seymour and Hon Shane Jones)
30 September 2025	<ul style="list-style-type: none"> • Applications for expedited pathway closes • Arbiter required to have completed individualised process
31 December 2025	<ul style="list-style-type: none"> • Final payments completed