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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 Cabinet paper	Structural Changes to Support the Crown Response to the Abuse in Care Inquiry	Date to be published	19 November 2025

List of documents that have been proactively released		
Date	Title	Author
2 September 2024	Structural Changes to Support the Crown Response to the Abuse in Care Inquiry	Crown Response Office and Public Service Commission
2 September 2024	Structural Changes to Support the Crown Response to the Abuse in Care Inquiry CAB-24-MIN-0331	Cabinet Office

Withholding grounds

Documents have been released in full.

Office of the Minister for the Public Service

Office of the 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

Cabinet

STRUCTURAL CHANGES TO SUPPORT THE CROWN RESPONSE TO THE ABUSE IN CARE INQUIRY

Proposal

- 1 This paper seeks agreement to some machinery of government changes and associated funding to accelerate the Crown Response to the Abuse in Care Inquiry, including actions to ensure the public service is set up to deliver a strong and decisive response.
- 2 These actions are designed to position the Government to take decisions on meaningful change in redress for survivors of abuse in care (survivors) at pace and respond to the wider recommendations in the final report of the Abuse in Care Royal Commission of Inquiry (the Royal Commission).

Executive Summary

- 3 The Royal Commission has made 233 recommendations (95 in its earlier redress report and 138 in its final report) and more than 600 findings. The recommendations have cross-portfolio implications and require a joined-up response from agencies.
- 4 To enable a timely response to the Royal Commission's recommendations and findings, changes are needed to ensure individual agency accountability and a joined-up response. We are therefore seeking agreement to:
 - 4.1 relocate the Crown Response Unit from Oranga Tamariki to the Public Service Commission (PSC) as the 'Crown Response Office' (the Office) to help ensure this work has the gravitas and oversight it needs and is not hosted by a current care agency;
 - 4.2 establish a Functional Chief Executive for the Government's Response to the Royal Commission's Report into Historical Abuse in Care to lead the Office; and
 - 4.3 provide additional funding of \$2.964m for the Crown Response this financial year through an out-of-cycle funding request.
- 5 The Office would be hosted by the Public Service Commission and led by a Functional Chief Executive (FCE). An Order in Council under the Public Service Act 2020 is required to establish the FCE.

- 6 We propose a response plan be developed by individual agencies in order to remain accountable for their actions. Central agencies would need to reflect these in performance management of the chief executives and their agencies. One of the key roles of the Office will be to enable that accountability by establishing a clear plan, monitoring agencies' progress on their actions, and communicating regularly with relevant agency chief executives.
- 7 Currently the Crown Response Unit is funded until 30 June 2025. To support the establishment of the Office and ensure it has the capability and capacity needed to deliver to the Government's expectations out-of-cycle funding is being sought. Decisions on redress design/delivery and responses to broader findings and recommendations will inform the ongoing role for the Office. We therefore recommend reviewing the role of the Office early in 2025.
- 8 An application for an out-of-cycle funding request has been approved by the Minister of Finance. A further request will also be made in the coming weeks to fund decisions expected to be taken prior to the national apology on 12 November, the most significant of which is redress for torture at Lake Alice.

Background

- 9 The Royal Commission was established in 2018 to investigate children, young people, and vulnerable adults' experiences of abuse and neglect in State and non-State care in Aotearoa New Zealand between the years of 1950-1999.
- 10 To enable a joined-up response, in 2019 the Crown Response Unit was established as an independent unit to drive and coordinate the Crown's overall response to the Royal Commission. The previous Cabinet agreed a strategic principles-based approach to guide its engagement with the Royal Commission and survivors [SWC-19-MIN-0033 refers]. This model reflected the initial phase of responding to the Royal Commission which included coordinating the provision of information and providing evidence at hearings.
- 11 Strategic governance of the Crown Response Unit is provided by a Sponsoring Group comprising the chief executives of Oranga Tamariki, the Ministries of Education, Health, and Social Development, Whaikaha – The Ministry for Disabled People, and the Crown Law Office.
- 12 In March 2024, Cabinet endorsed the establishment of the Crown Response to the Abuse in Care Inquiry Ministerial Group (the Ministerial Group) to assist in overseeing the Crown's response to the Royal Commission, with myself as Chair [SOU-24-MIN-0019 refers]. The Ministerial Group has met monthly since April and has been considering the overall direction of the Crown's response before decisions are taken by Cabinet.
- 13 In June 2024, Cabinet endorsed the Crown Response work programme [SOU-24-MIN-0050 refers], that included a series of Cabinet papers through to the end of December 2024 on redress design and decisions in September on initial responses to the final report. This work is complex and associated with potentially significant costs to the Crown and is the subject of careful consideration through the Ministerial Group.

- 14 On 24 July 2024, the Royal Commission's final report (*Whanaketia – through pain and trauma, from darkness to light*) was tabled in Parliament. Our response to the report recognised survivors' courage in sharing their experiences with the Royal Commission and the devastating impact of those experiences on survivors' lives. We also made clear our commitment to prioritise redress.

We need to make some initial changes to how we are working to support an effective response

- 15 The work programme is large and complex. The Royal Commission has made a total of 233 recommendations (95 in its earlier redress report and 138 in its final report). Many of the 233 recommendations also have multiple sub-recommendations. In addition, the Commission also made more than 600 findings that we need to respond to. The recommendations span multiple sectors and agencies, covering redress for abuse in care, care safety, monitoring and oversight, litigation and human rights frameworks, and community empowerment for abuse prevention. There are significant financial, legal, social, and operational implications across the recommendations that require careful analysis as well as potentially complex implementation.
- 16 In order to support the work programme's timely delivery, as well as managing the associated risks, we need to make some changes to how we are doing this work. Specifically, we are seeking Cabinet agreement to the following:
- 16.1 relocating the Crown Response Unit from Oranga Tamariki to the Public Service Commission (PSC) as the 'Crown Response Office' to help ensure this work has the gravitas and oversight it needs and is not hosted by a current care agency;
 - 16.2 establishing a Functional Chief Executive for the Government's Response to the Royal Commission's Report into Historical Abuse in Care to lead the Crown Response Office; and
 - 16.3 providing additional funding of \$2.964m for the Crown Response through an out-of-cycle funding request.
- 17 The Acting Public Service Commissioner or one of her statutory deputies will also take over chairing new governance arrangements at a Chief Executive level across this work.

Crown Response Office

- 18 The Royal Commission recommended that the Government should establish an office within a central agency to lead the implementation of the Royal Commission's findings and recommendations.
- 19 We recommend the establishment of a Crown Response Office that will have the mandate to drive action across Government agencies, ensuring this work is treated as a priority across government. Its functions would include:

- 19.1 advising on policy, legislative change and redress design, and working closely with the Treasury on investment advice;
 - 19.2 engaging closely with survivors and other stakeholders, including secretariat support to the Design Advisory Group if reestablished;
 - 19.3 coordinating, monitoring and reporting on implementation of recommendations and Cabinet decisions across government;
 - 19.4 providing secretariat support for the group of responsible Chief Executives with accountabilities established through the response plan.
- 20 Currently the Crown Response Unit is funded until 30 June 2025. The role of the Office after that date will depend on decisions that will be taken over the coming months on redress design and delivery and responses to the wider recommendations of the Royal Commission. We therefore recommend considering the longer-term role of the Office early in 2025.
- 21 Recommendation 123 of the Royal Commission's final report states that an Office should be established independent from, have no association with, and not employ senior officials or middle management who have been involved in care system agencies, including historic claims processes. We propose that the Office be hosted by the Public Service Commission and that its starting point be to re-purpose the current Crown Response Unit (CRU). CRU staff already have much of the capability required for the Office and have also established valuable relationships with survivors and across the care system that would be helpful to retain to maintain momentum. However, the new Office will need to evolve in terms of the remit and capabilities required to lead the Crown Response.

Functional Chief Executive

- 22 To ensure focused senior leadership of the response, we propose establishing a Functional Chief Executive for the Government's Response to the Royal Commission's Report into Historical Abuse in Care (FCE) to lead the Office. This is a chief executive position established under the Public Service Act 2020 to lead on a particular area within a host department and is directly accountable to the relevant Minister. The functions of this role would include:
- 22.1 ensuring that the Government receives quality advice and is positioned to deliver on commitments to redress and reforms in accordance with Cabinet's decisions, with a focus on urgency and effectiveness
 - 22.2 overseeing, coordinating and supporting the Government's ongoing response to implementing the agreed recommendations by establishing a plan, monitoring agencies' progress on their actions and communicating regularly with relevant agency chief executives
 - 22.3 leading the work of the Crown Response Office, including building trusting and enduring relationships with survivor groups.

- 23 To enable the prompt appointment of the FCE, we are seeking authorisation from Cabinet for the Minister responsible for co-ordinating the Crown response to the Abuse in Care Royal Commission of Inquiry and the Minister for the Public Service (Joint Ministers) to confirm the position description for the FCE based on the functions set out in this paper and the draft position description (see **Appendix**). The attached position description could be subject to minor changes by the Public Service Commissioner to reflect Ministerial feedback on priorities.
- 24 Appointments to a FCE role are made by the Public Service Commissioner. To support a smooth transition to the Office, in the immediate term support arrangements including corporate services will remain unchanged from those currently supporting the CRU. The FCE (once appointed) and host department chief executive will work through these arrangements in due course.
- 25 Recommendations 44, 123 and 124 in the Royal Commission's report signal an intention to use the Office first as the establishment unit for a new Care Safe Agency, and then to administer the Agency's legislation and monitor its performance. We view the recommendations relating to the Care Safe Agency as separate considerations and will work through them with Cabinet in due course.

Ensuring accountability for responsible agencies

- 26 Individual agencies will remain accountable for their actions under the response plan, and central agencies will need to reflect this in performance management of the chief executives and their agencies. A key role for the Office will be to enable that accountability by establishing a clear plan, monitoring agencies' progress on their actions, and communicating regularly with relevant agency chief executives.
- 27 To ensure that agencies are responsive and held to account, we have asked the Acting Public Service Commissioner or one of her Deputies to chair a group of responsible Chief Executives with accountabilities established through the response plan. The FCE will support the Chair in convening and servicing the Chief Executive group and be responsible for ensuring all relevant Chief Executives are involved and updated.

Financial Implications

- 28 Current funding for the Crown Response is provided through a dedicated appropriation that is applied for year on year. The current appropriation, which ends on 30 June 2025, is for a total of approximately \$11 million, of which \$9.5 million relates directly to the CRU.
- 29 The current appropriation's funding for the CRU will cover a significant portion of the operating costs of the proposed Office through to June 2025. However, the expanded remit of the Office and the Government's commitment to survivors to move at pace will require some additional resources and

corresponding funding, which will not be able to be supported from reprioritisation within the existing appropriation.

30 Additional funding of up to \$2.964 million is required to support the operation of the Office through to 30 June 2025, as set out in Table One.

31 Table One: Additional funding required for Crown Response Office (approximate)

CRO Functional CE FTE – to ensure focused senior leadership of the Crown Response to the Abuse in Care Inquiry	\$0.400m
Legal Advisor – FTE to support the legislative programme and support in the development of legal advice to Ministers	\$0.109m
Legislative policy and design – FTE to deliver the proposed legislative programme of work and resource the policy team to meet the pace of the work.	\$0.725m
Survivor engagement – funding for engagement required with survivor groups to inform detailed design including communication with survivors about redress design and implementation, and testing on what is most critical for survivors who have a wide range of characteristics and circumstances.	\$0.150m
Redress Survivor Advisory Group – funding associated with supporting the proposed Ministerially appointed Redress Design Advisory Group.	\$0.180m
Detailed redress service design – funding to support detailed redress and service design including resources to: - work on eligibility entitlement and redress function design and delivery phasing; - explore existing capability for delivering redress functions versus new capability required; - user testing of proposed redress design features to ensure all survivors groups can engage positively; - testing of redress processes and systems with government agencies and other stakeholder such as faith-based and community organisations; and - data exploration to better understand, as far as possible, potential demand in order to scale the resourcing of the redress system appropriately.	\$1.400m
TOTAL	\$2.964m

32 An application for an out-of-cycle funding request has been made to the Minister of Finance. A further request will also be made in the coming weeks to fund decisions expected to be taken in the next two months, the most significant of which is redress for torture at Lake Alice.

33 Future funding for the Office will be worked through as part of wider decisions to inform a funding request through Budget 2025. This is in line with the

current year-by-year funding approach to help ensure resourcing remains appropriate to the overall Crown Response Office work programme.

- 34 We are seeking Cabinet agreement to authorise the Lead Coordination Minister Responsible 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 and the Minister of Finance jointly to draw down the tagged operating funding sought (\$2.964 million) for the 2024/25 financial year (establishing any new appropriations as necessary), subject to their satisfaction with the proposal for a Crown Response Office.
- 35 Joint Ministers will work through any necessary fiscally neutral adjustments to support the transfer of the Office to the Public Service Commission.
- 36 We propose that the out-of-cycle funding sought be charged against the between-Budget contingency established as part of Budget 2024.

Legislative Implications

- 37 Putting the functional chief executive in place requires an Order in Council under the Public Service Act 2020.

Impact Analysis

Regulatory Impact Statement

- 38 The Ministry for Regulation has determined that this proposal is exempt from the requirement to provide a Regulatory Impact Statement on the grounds that it has no or only minor impacts on businesses, individuals, and not-for-profit entities.

Climate Implications of Policy Assessment

- 39 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal, as the threshold for significance is not met.

Population Implications

- 40 Māori, Pacific, Deaf, and disabled peoples have been over-represented in care, and therefore over-represented as survivors of abuse in care. As a result of impacts of abuse in care, many survivors experience lifelong lower socio-economic status and poor health. These in turn have significant impacts on survivors as they become elderly. It is important that the Crown response considers the specific culture, context and needs of the over-represented groups in its decisions on redress and overall response. Appropriate engagement with Māori, Pacific, Deaf and disabled survivors and Māori, Pacific, Deaf and disabled groups and organisations will need to be considered when progressing the Crown Response Office work programme.

Human Rights

- 41 The proposals in this paper are consistent with the New Zealand Bill of Rights Act 1990 and Human Rights Act 1993.
- 42 Human rights issues have been raised through the Royal Commission's case studies and interim reports, which note possible breaches of human rights in the provision of care in State and faith-based settings. The Royal Commission's final report makes findings and recommendations relating to possible breaches of human rights.

Use of external resources

- 43 No external resources have been used in the preparation of the advice in this paper.

Consultation

- 44 This paper was drafted by the Public Service Commission and the Crown Response Unit. The Chief Executives of Ministry of Education, Ministry of Social Development, Ministry of Justice, Oranga Tamariki – Ministry for Children, Whaikaha – Ministry of Disabled People and the Crown Law Office were consulted on this proposal. The Treasury and Department of Prime Minister and Cabinet were informed.

Communications

- 45 Following a Cabinet decision a public announcement will be made by press release. The Lead Coordinating Minister will also work with the Crown Response Office on additional opportunities to communicate this work as part of the Government's response to the Royal Commission.

Proactive Release

- 46 This paper will be published on the Crown Response Unit's website as soon as practicable.

Recommendations

We recommend that the Committee:

- 1 **note** in June 2024, Cabinet [SOU-24-MIN-0050 refers] endorsed the Crown Response work programme, that included a series of Cabinet papers through to the end of December 2024 on redress design and decisions in September on initial responses to the final report;
- 2 **note** following tabling of the Royal Commission's final report, we are proposing changes to the arrangements underpinning the delivery of the work programme;

- 3 **note** the Ministerial Group established by Cabinet in March 2024 [SOU-24-MIN-0019 refers] will continue to oversee this programme of work through to the end of the year at least;

Crown Response Office

- 4 **agree** to establish a Crown Response Office to drive the implementation of the work programme arising from the Royal Commission, with functions including policy advice, stakeholder engagement, and coordinating, monitoring and reporting on implementation;
- 5 **agree** the Crown Response Office will be hosted by the Public Service Commission and will be led by a Functional Chief Executive, Government's Response to the Royal Commission's Report into Historical Abuse in Care established under the Public Service Act 2020;
- 6 **agree** that the Crown Response Office begin with the transfer of relevant functions from the Crown Response Unit, and the respective chief executives will work through necessary transfers of staff and resources from Oranga Tamariki to the Public Service Commission to support this;
- 7 **note** the Crown Response Office will be established initially until 30 June 2025, with the longer term role of the Office considered in the first half of 2025;
- 8 **note** that a key role for the Crown Response Office will be to enable individual agencies to be held to account by establishing a clear plan, monitoring agencies' progress on their actions, and communicating regularly with relevant agency chief executives;
- 9 **note** that we have asked the Acting Public Service Commissioner or one of her statutory Deputies to chair a group of responsible Chief Executives with accountabilities established through the response plan and that the Functional Chief Executive will support the Chair in convening and servicing that group

Functional Chief Executive

- 10 **note** the Functional Chief Executive will be responsible to the 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;
- 11 **authorise** the Lead Coordination Minister and Minister for the Public Service to:
- 11.1 confirm on behalf of Cabinet the attached draft position description for the Functional Chief Executive role to form a basis of appointment;
 - 11.2 clarify any matters that the Lead Coordination Minister and Minister for the Public Service wish the Commissioner to take into account in making an appointment to the position.

- 12 **invite** the Minister for the Public Service to instruct Parliamentary Counsel Office to draft an Order in Council to establish a Functional Chief Executive, Government's Response to the Royal Commission's Report into Historical Abuse in Care, and hosted by the Public Service Commission, by adding an item to Schedule 5 of the Public Service Act 2020;

Funding

- 13 **agree** to establish a tagged operating contingency of the following amount to provide for immediate increased capacity and capability in the Crown Response Unit and the establishment of a Crown Response Office:

	\$m – increase/(decrease)			
	2024/25	2025/26	2026/27	2027/28
Crown Response Office – Tagged Operating Contingency	2.964	-	-	-

- 14 **authorise** the Minister of Finance and the 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 jointly to draw down the tagged operating funding in recommendation 13 above (establishing any new appropriations as necessary);
- 15 **agree** that the tagged operating contingency in recommendation 13 above be charged against the between-Budget contingency established as part of Budget 2024;
- 16 **agree** that the expiry date for the tagged operating contingency in recommendation 13 above will be 31 March 2025;
- 17 **note** that, following agreement to recommendation 15 above, \$121 million total remains in the between-Budget contingency, for allocation across 2024/25 to 2027/28;
- 18 **note** that, although funding remains in the between-Budget contingency, more has been allocated to the 2024/25 fiscal year from the between-Budget contingency than assumed in the fiscal forecasts, which are based on the phasing originally agreed by Cabinet; and
- 19 **note** that this means that the 2024/25 expenses outlined in recommendation 13 above will have a corresponding impact on the 2024/25 operating balance.

Hon Nicola Willis

Minister for the Public Service

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

Authorised for Lodgement

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Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Structural Changes to Support the Crown Response to the Abuse in Care Inquiry

Portfolios **Public Service / Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions**

On 2 September 2024, Cabinet:

- 1 **noted** that in June 2024, the Cabinet Business Committee endorsed the Crown Response work programme, which included a series of Cabinet papers through to the end of December 2024 on redress design, and decisions in September 2024 on initial responses to the final report [CBC-24-MIN-0050];
- 2 **noted** that, following the tabling of the final report of the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions (the Royal Commission), the Minister for the Public Service and 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 (the responsible Ministers) are proposing changes to the arrangements underpinning the delivery of the work programme;
- 3 **noted** that the Ministerial Group established by Cabinet in March 2024 [SOU-24-MIN-0019] will continue to oversee the Crown Response work programme through to the end of the 2024 at least;

Crown Response Office

- 4 **agreed** to establish a Crown Response Office to drive the implementation of the work programme arising from the Royal Commission, with functions including policy advice, stakeholder engagement, and coordinating, monitoring, and reporting on implementation;
- 5 **agreed** that the Crown Response Office will be hosted by the Public Service Commission and will be led by a Functional Chief Executive, Government's Response to the Royal Commission's Report into Historical Abuse in Care, established under the Public Service Act 2020;
- 6 **agreed** that the Crown Response Office begin with the transfer of relevant functions from the Crown Response Unit, and the respective chief executives will work through the necessary transfers of staff and resources from Oranga Tamariki to the Public Service Commission to support this;

- 7 **noted** that the Crown Response Office will be established initially until 30 June 2025, with the longer-term role of the Office considered in the first half of 2025;
- 8 **noted** that a key role for the Crown Response Office will be to enable individual agencies to be held to account by establishing a clear plan, monitoring agencies' progress on their actions, and communicating regularly with relevant agency chief executives;
- 9 **noted** that the responsible Ministers have asked the Acting Public Service Commissioner (the Commissioner) or one of her statutory Deputies to chair a group of responsible chief executives with accountabilities established through the response plan and that the Functional Chief Executive will support the Chair in convening and servicing that group;

Functional Chief Executive

- 10 **noted** that the Functional Chief Executive will be responsible to the 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;
- 11 **authorised** the responsible Ministers to:
- 11.1 confirm on behalf of Cabinet the draft position description for the Functional Chief Executive role to form a basis of appointment, attached to the submission under CAB-24-SUB-0331;
- 11.2 clarify any matters that the responsible Ministers wish the Commissioner to take into account in making an appointment to the position;
- 12 **invited** the Minister for the Public Service to issue drafting instructions to the Parliamentary Counsel Office for an Order in Council to establish a Functional Chief Executive, Government's Response to the Royal Commission's Report into Historical Abuse in Care, and hosted by the Public Service Commission, by adding an item to Schedule 5 of the Public Service Act 2020;

Funding

- 13 **agreed** to establish a tagged operating contingency of the following amount to provide for immediate increased capacity and capability in the Crown Response Unit and the establishment of a Crown Response Office:

	\$m – increase/(decrease)			
	2024/25	2025/26	2026/27	2027/28
Crown Response Office – Tagged Operating Contingency	2.964	-	-	-

- 14 **authorised** the responsible Ministers to jointly draw down the tagged operating funding in paragraph 13 above (establishing any new appropriations as necessary);
- 15 **agreed** that the tagged operating contingency in paragraph 13 above be charged against the between-Budget contingency established as part of Budget 2024;
- 16 **agreed** that the expiry date for the tagged operating contingency in paragraph 13 above will be 31 March 2025;

- 17 **noted** that, following agreement to the decision in paragraph 15 above, \$121 million total remains in the between-Budget contingency, for allocation across 2024/25 to 2027/28;
- 18 **noted** that, although funding remains in the between-Budget contingency, more has been allocated to the 2024/25 fiscal year from the between-Budget contingency than assumed in the fiscal forecasts, which are based on the phasing originally agreed by Cabinet;
- 19 **noted** that this means that the 2024/25 expenses outlined in paragraph 13 above will have a corresponding impact on the 2024/25 operating balance.

Rachel Hayward
Secretary of the Cabinet

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