

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

Additional funding for redress for survivors of torture at the Lake Alice Child and Adolescent Unit

Date of issue: 11 July 2025

These documents have been proactively released:

- Additional funding for redress for survivors of torture at the Lake Alice Child and Adolescent Unit
- CAB-25-MIN-0190, Cabinet Minute, 9 June 2025

No redactions have been made to this information.

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

Additional funding for redress for survivors of torture at the Lake Alice Child and Adolescent Unit

Proposal

- 1 This paper seeks agreement to additional funding for redress for torture at the Lake Alice Psychiatric Hospital Child and Adolescent Unit (the Lake Alice Unit).

Relation to government priorities

- 2 This paper progresses the Government's response to the Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions (the Royal Commission).

Background

- 3 In December 2024, Cabinet agreed to provide redress to survivors of torture at the Lake Alice Unit [CAB-24-MIN-0516 refers]. The provision of redress reflects the Government's acknowledgement that some survivors of the Lake Alice Unit have suffered torture [CAB-24-MIN-0234 refers] and the need to provide an effective remedy for these survivors that discharges our obligations under the Convention Against Torture. The torture involved the administration of unmodified electroconvulsive therapy (ECT) and/or the administration of paraldehyde injections as a punishment.
- 4 Eligible survivors can choose either an expedited pathway, where they receive a fixed payment of \$150,000, or an individual pathway, where they receive a payment determined by an independent arbiter within a funding envelope. Registration for the individual pathway closed on 30 April 2025¹. Survivors can continue to register for the expedited pathway until 30 September 2025.
- 5 Cabinet agreed the fiscal envelope for the individualised pathway will 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 agreed by Cabinet.
- 6 In February 2025, I notified Cabinet of my 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 [CAB-25-MIN-0018 refers]. His appointment is for an eight-month period, which commenced on 10 February 2025 and expires on 30 September 2025. Joint

¹ Cabinet agreed the Lead Coordination Minister and the Minister for Mental Health can approve later access for a survivor into either process in extenuating circumstances. No claimants have so far sought late access to the individual pathway.

Ministers need to agree to the fiscal envelope for the independent arbiter by 30 June in order to enable him to complete his process by 30 September 2025.

- 7 All eligible survivors have access to free independent legal advice to support them while they seek redress. A panel of suitable lawyers has been made available that eligible survivors can select a legal representative from, or they can choose their own lawyer. Legal support has also been provided for some survivors to make a will. 94 survivors have engaged legal representation.
- 8 In addition to a payment, eligible survivors will also receive a written apology signed by the Prime Minister and the Minister for Mental Health. The Crown Response Office is also assisting survivors to access their existing entitlements to support and rehabilitative services for the experience of torture. Survivors also have access to counselling and psychological support to help with the impact of applying for redress and can access independent financial advice.
- 9 For the legal advice, arbiter costs, support services, and administrative costs of the scheme, up to \$3.11 million was allocated by Cabinet. As of 30 May, approximately \$360,000 has been spent and an underspend is forecast.

The number of eligible survivors has exceeded the estimated maximum number of claimants which means additional funding is required

- 10 The original forecast was a maximum of 120 eligible survivors claiming torture redress. This was based on the number of previous claimants under the general redress process for Lake Alice Unit survivors administered by the Ministry of Health, analysis of the nature of these previous settlements, and other sources such as the Royal Commission report on Lake Alice and past investigations by the NZ Police.
- 11 As of 30 May 2025, 130 survivors have been confirmed as eligible claimants for torture redress with a further seven whose eligibility is not yet confirmed. Of those, 91 survivors have chosen the expedited pathway and a payment of \$150,000, and 39 survivors have chosen the individual payment process with a one-off payment to be determined by the independent arbiter.
- 12 The original figure of 120 eligible survivors has been surpassed as a result of the emergence of 27 confirmed claimants who have not previously applied for any redress for abuse at the Lake Alice Child and Adolescent Unit and so have been unknown to the Crown until now.
- 13 All survivors confirmed as eligible for the scheme are entitled to either the fixed or individualised redress payment. Because the \$19.56 million initially allocated for redress payments will not be sufficient to cover the Crown's liability, additional funding is required. The latest estimate of the total liability for eligible survivors could be up to \$7 million more than the \$19.56 million originally approved for redress payments.

Financial Implications

- 14 This paper recommends that \$7.000 million additional funding be appropriated for torture-redress payments. I propose this is met from the tagged operating contingency which was established as part of Budget 25 to support the Government's implementation of the Royal Commission response [CAB-25-

MIN-0126.72 refers]. This means the costs associated with these proposals can be fully offset and avoids any need to manage the impact of those increased expenses against the operating allowance. I recommend Cabinet authorise the Minister of Finance and Lead Coordination Minister to return any underspend to the tagged contingency not required for torture-redress payments.

Legislative Implications

15 The proposals in this paper have no legislative implications.

Population Implications

16 The Lake Alice Unit survivors represent a specific cohort. They are men and women aged in their mid 50s to late 60s, and include both Māori and Pacific peoples, and disabled people. As a specific cohort there are no broader population implications with the proposals set out in this paper.

Human Rights

17 The Lake Alice torture redress scheme has been designed to ensure consistency with the Human Rights Act 1993 and New Zealand Bill of Rights Act 1990. The scheme also relates to international agreements which New Zealand is a signatory to, namely the Convention Against Torture and the International Convention on Civil and Political Rights (ICCPR).

Use of external resources

18 No external resources have been used to prepare the advice in this paper.

Consultation

19 The Treasury was consulted on the financial recommendations in this paper. Relevant Ministers were consulted.

Communications

20 Additional funding for redress for torture at the Lake Alice Unit will be made public when appropriate.

Proactive Release

21 This paper will be proactively published on the Crown Response Office's website with appropriate withholdings under the Official Information Act 1982.

Recommendations

I recommend that Cabinet:

1 **note** on 16 December 2024, Cabinet [CAB-24-MIN-0516 refers]:

1.1 agreed to set up the "Lake Alice Unit torture-redress payments tagged operating contingency" of \$22.68 million to provide for the following:

- 1.1.1 funding of up to \$19.56 million for redress payments for up to 120 survivors of torture;
- 1.1.2 funding of up to \$3.12 million for independent legal advice for claimants, remuneration for the independent arbiter, and operating the process;
- 1.2 agreed that the approach to payments recognising torture would be two separate payment pathways, which consist of:
- 1.2.1 an expedited payment process with a fixed payment of \$150,000 for all eligible claimants who chose that pathway; or
- 1.2.2 an individual payment process with one off payments determined by an independent arbiter and with an overall envelope which enables payments that reflect survivors' different experience of torture;
- 1.3 agreed the fiscal envelope for the individualised pathway will 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;
- 1.4 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; and
- 1.5 agreed that claims accepted until 30 April 2025 for the individual pathway and until 30 September 2025 for the expedited pathway;
- 2 **note** 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 appointed Hon Paul Davison as the independent arbiter [CAB-25-MIN-0018 refers];
- 3 **note** the original forecast of a maximum of 120 eligible survivors has been surpassed as a result of the emergence of 27 confirmed claimants who have not previously applied for any redress for abuse at the Lake Alice Child and Adolescent Unit and so have been unknown to the Crown until now;
- 4 **note** that, as of 30 May 2025, 130 survivors have been confirmed as eligible claimants for torture redress with a further 7 whose eligibility is not yet confirmed;
- 5 **note** that as of 30 May 2025, 91 survivors have chosen the expedited pathway and a payment of \$150,000;
- 6 **note** that 39 survivors have chosen the individual payment process with a one-off payment to be determined by the independent arbiter;
- 7 **note** the minimum total liability for eligible claimants is currently \$19.50 million of the \$19.56 million originally approved for redress payments;

- 8 **note** the latest estimate of the total liability for eligible claimants is up to \$7 million greater than the \$19.56 million originally approved for redress payments;
- 9 **note** I am therefore seeking additional funding of up to \$7 million to increase the 2024/25 provision for the fiscal envelope associated with the Crown's obligated payments for the individual pathway and any new registrants to the redress;
- 10 **approve** the following change to appropriations to increase the provision described in recommendation 9 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
Vote Public Service	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears
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					
Lake Alice Unit Torture Redress Payments MCA					
Non-departmental Other Expense:					
Redress Payments for Survivors of Torture at the Lake Alice Child and Adolescent Unit	7.000	-	-	-	-

- 11 **note** the proposed change to appropriations for 2024/25 above cannot be included in the 2024/25 Supplementary Estimates, as these have now closed;
- 12 **note** as a result any expenses incurred for 2024/25 under recommendation 10 above will become unappropriated expenditure at the close of 30 June 2025, as the increase in expenses will not have been included in the Appropriation (2024/25 Supplementary Estimates) Act;
- 13 **agree** any unappropriated expenditure against the proposed increase in appropriations for 2024/25 above will require validation under section 26C of the Public Finance Act 1989 by inclusion in the Appropriation (2024/25 Confirmation and Validation) Bill;
- 14 **agree** in the interim the proposed increase for 2024/25 in recommendation 10 above be met from Imprest Supply;

- 15 **note** Budget 2025 established a tagged operating contingency [CAB-25-MIN-0126.72 refers] Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care – Tagged Operating Contingency totalling \$28.375 million over four years;
- 16 **agree** to reduce the tagged operating contingency described in recommendation 15 above by a total of \$7 million, thereby fully offsetting the increase in expenses incurred under recommendation 10 above and so avoiding any need to manage the impact of those increased expenses against the operating allowance;
- 17 **note** following the adjustments detailed in recommendation in 16 above, the remaining balance and indicative phasing of the tagged operating contingency described in recommendation 15 above will be:

	\$m				
	2024/25	2025/26	2026/27	2027/28	2028/29
Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care – Tagged Operating Contingency	-	5.344	5.344	5.344	5.343

- 18 **authorise** the Minister of Finance and Lead Coordination Minister jointly to increase the Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care – Tagged Operating Contingency by the amount of any unused funding from recommendation 17 above, following the completion of the 2024/25 audited financial statements for the Public Service Commission.

Authorised for lodgement

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



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.

Additional Funding for Redress for Torture at the Lake Alice Unit

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

On 9 June 2025, Cabinet:

- 1 **noted** that in December 2024, Cabinet:
 - 1.1 agreed to establish the *Lake Alice Unit Torture Redress Payments* tagged operating contingency of \$22.68 million to provide for the following:
 - 1.1.1 funding of up to \$19.56 million for redress payments for up to 120 survivors of torture;
 - 1.1.2 funding of up to \$3.12 million for independent legal advice for claimants, remuneration for the independent arbiter, and operating the process;
 - 1.2 agreed that the approach to payments recognising torture would be two separate payment pathways, consisting of:
 - 1.2.1 an expedited payment process with a fixed payment of \$150,000 for all eligible claimants who chose that pathway; or
 - 1.2.2 an individual payment process with one-off payments determined by an independent arbiter and with an overall envelope which enables payments that reflect survivors' different experience of torture;
 - 1.3 agreed that the fiscal envelope for the individualised pathway would be determined jointly by the Minister of Finance, 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 (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;
 - 1.4 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;
 - 1.5 agreed that claims would be accepted until 30 April 2025 for the individual pathway and until 30 September 2025 for the expedited pathway;

[CAB-24-MIN-0516]

- 2 **noted** that in February 2025, the Lead Coordination Minister appointed Hon Paul Davison KC as the independent arbiter to make determinations on individual financial payments to be made to survivors of torture at the Lake Alice Child and Adolescent Unit (the Lake Alice Unit) [CAB-25-MIN-0018];
- 3 **noted** that the original forecast of a maximum of 120 eligible survivors has been surpassed as a result of the emergence of 27 confirmed claimants who have not previously applied for any redress for abuse at the Lake Alice Unit and so have been unknown to the Crown until now;
- 4 **noted** that, as of 30 May 2025, 130 survivors have been confirmed as eligible claimants for torture redress, with a further seven whose eligibility is not yet confirmed;
- 5 **noted** that, as of 30 May 2025, 91 survivors have chosen the expedited pathway and a payment of \$150,000;
- 6 **noted** that 39 survivors have chosen the individual payment process with a one-off payment to be determined by the independent arbiter;
- 7 **noted** that the minimum total liability for eligible claimants is currently \$19.500 million of the \$19.56 million originally approved for redress payments;
- 8 **noted** that the latest estimate of the total liability for eligible claimants is up to \$7.000 million greater than the \$19.560 million originally approved for redress payments;
- 9 **noted** that the Lead Coordination Minister is therefore seeking additional funding of up to \$7.000 million to increase the 2024/25 provision for the fiscal envelope associated with the Crown's obligated payments for the individual pathway and any new registrants to the redress;

Financial implications

- 10 **approved** the following change to appropriations to increase the provision described in paragraph 9 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears
Vote Public Service					
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					
Lake Alice Unit Torture Redress Payments MCA					
Non-departmental Other Expense:					
Redress Payments for Survivors of Torture at the Lake Alice Child and Adolescent Unit	7.000	-	-	-	-

- 11 **noted** that the change to appropriations for 2024/25 above cannot be included in the 2024/25 Supplementary Estimates, as these have now closed;
- 12 **noted** that as a result any expenses incurred for 2024/25 under paragraph 10 above will become unappropriated expenditure at the close of 30 June 2025, as the increase in expenses will not have been included in the Appropriation (2024/25 Supplementary Estimates) Bill;
- 13 **agreed** that any unappropriated expenditure against the increase in appropriations for 2024/25 above will require validation under section 26C of the Public Finance Act 1989 by inclusion in the Appropriation (2024/25 Confirmation and Validation) Bill;
- 14 **agreed** that, in the interim, the increase for 2024/25 in paragraph 10 above be met from Imprest Supply;
- 15 **noted** that Budget 2025 established a tagged operating contingency, *Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care*, totalling \$28.375 million over four years [CAB-25-MIN-0126.72];
- 16 **agreed** to reduce the tagged operating contingency described in paragraph 15 above by a total of \$7.000 million, thereby fully offsetting the increase in expenses incurred under paragraph 10 above and so avoiding any need to manage the impact of those increased expenses against the operating allowance;
- 17 **noted** that, following the adjustments detailed in paragraph 16 above, the remaining balance and indicative phasing of the tagged operating contingency described in paragraph 15 above will be as follows:

	\$m – increase/(decrease)				
	2024/25	2025/26	2026/27	2027/28	2028/29
Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care – Tagged Operating Contingency	-	5.344	5.344	5.344	5.343

- 18 **authorised** the Minister of Finance and Lead Coordination Minister jointly to increase the *Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care* tagged operating contingency by the amount of any unused funding from paragraph 10 above, following the completion of the 2024/25 audited financial statements for the Public Service Commission.

Rachel Hayward
Secretary of the Cabinet