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Budget 2017: child sex abuse compensation to cost feds \$600m

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The federal government will be forced to set aside \$600 million for survivors of child sex abuse in its national redress scheme, 50 per cent more than estimates made by the royal commission into the issue.

The Australian understands the government has run an actuarial analysis on its share of the redress scheme, which it seed-funded with \$33m in Tuesday's budget, and has settled on a figure of about \$600m.

The Royal Commission into Institutional Responses to Child Sexual Abuse recommended a -single, national redress scheme valued at \$4.3 billion to provide compensation and medical and therapy support to 60,000 victims of abuse.

Federal and state governments would be "funders of last resort" under this model, picking up the pieces where non-government organisations have closed or been bankrupted and, in some cases, funding their own redress where they were responsible.

Their share of the scheme — across all jurisdictions — was estimated by the commission to be \$632m but, given the federal government's portion alone is set to be almost as much, it is likely states will need to chip in more than first thought.

"The commonwealth is undertaking such analysis at present, parallel to the advisory committee which is determining the detailed design elements of the scheme," Social Services Minister Christian Porter told The Australian.

"The royal commission provided a preliminary figure of \$4bn and noted that the commonwealth might be responsible for about 10 per cent of redress claims. Naturally, the commonwealth is testing this modelling in the context of the final design principles and is also finalising related administrative costs, such as IT costs, which will be substantial.

"We will obviously be meeting the cost of redress for those survivors for whom the commonwealth has responsibility." The money will need to be made available from the next financial year but state and territory governments have not signed on to the national scheme, even though they have -argued alongside experts this is the only model that would work.

Victoria's Attorney-General Martin Pakula said the state -"remains open to a national -redress scheme" but he has yet to see any detail.

"They still need to explain what funding the commonwealth intends to contribute to victims, how they will administer the scheme, what type of abuse they intend to cover, and whether they will take responsibility as funder of last resort," he said.

“I look forward to meeting with Senator (George) Brandis and minister Porter next week and I will be seeking urgent details from them so that we — and other states — can make an informed decision.”

South Australia’s Attorney-General John Rau said the state would be “happy to talk further” if the federal government is prepared to underwrite a national scheme. “That does not appear to be what has been put on the table by the commonwealth,” he said.

“South Australia differs from other states because for many years it has had an ex-gratia compensation scheme for victims who were sexually abused as children in state care.

“As a result, victims have -secured compensation without going through unnecessary litigation which can be traumatic and which requires far higher standards of proof.”