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States alarmed over \$613m abuse bill for redress scheme

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An estimated \$613 million worth of taxpayer-funded compensation claims have emerged as the key sticking point over a national child sex abuse redress system amid growing angst from the states over who will pay.

The states are demanding a fair deal over what the child sex abuse royal commission estimates is \$613m worth of funder-of-last-resort costs facing the nation after institutions that failed to prevent abuse ceased to exist. Funders of last resort will also include institutions that still exist but have no assets to draw on to compensate victims, an issue that is possible as the Turnbull government finalises its \$4 billion response.

The states, territories and commonwealth are negotiating a deal to share the costs, with Social Services Minister Christian Porter stating that the final details of the funder-of-last-resort bill will not be known until the scheme's architecture is set up.

“Any applications that fell potentially into the last-resort funder situation would be assessed individually against the principle that the commonwealth would potentially be the funder of last resort where it was the relevant jurisdiction in a situation of clear shared responsibility with an institution such as a church or charity that no longer exists or has no capacity to pay,” he said.

He added that a state or territory would potentially be the funder of last resort if they shared responsibility with an institution that had no capacity to pay. “The structures and definitions that will attach to these principles in the legislation are presently being negotiated,” Mr Porter said.

The child sex abuse royal commission has calculated that redress payments totalling an estimated \$381m will be incurred in NSW and Victoria alone but the federal-state carve up was not articulated in the report.

Canberra needs the support of the states to ensure a national scheme is possible, which includes passing legislation to enable religious and other bodies to become involved. NSW is refusing to commit to the redress scheme, preferring to wait until the full detail of how the system will work and the costs are known. Queensland, while backing a national redress scheme, has been seeking more information about how it will work.

This means the five mainland states have not locked in to Mr Porter’s agenda.

Despite speculation that NSW was locked into the redress scheme, the NSW position appears to be closer to that of Victoria, which has demanded more detail from Canberra. NSW Attorney-General Mark Speakman said the primary concern was for abuse survivors. “NSW continues to co-operatively engage with other jurisdictions with a view to developing a meaningful and practical national scheme,” he said. “Our primary concern remains ensuring appropriate recognition of the ongoing hurt experienced by survivors.”

A spokesman for Queensland Premier Annastacia Palaszczuk said: “We have been seeking more detail and assurances that the national scheme will be in the best interests of Queenslanders.”