



14 August 2018

Dr Sean Turner
Acting Committee Secretary
Joint Select Committee on the Royal Commission into Institutional Responses to Child Sexual Abuse - oversight of redress related recommendations
Department of the Senate
PO Box 6100
Canberra ACT 2600

Dear Dr Turner

Inquiry by the Joint Select Committee on the Royal Commission into Institutional Responses to Child Sexual Abuse – oversight of redress related recommendations

The Actuaries Institute recognises the significant work undertaken by the Royal Commission into Institutional Responses to Child Sexual Abuse resulting in detailed recommendations for a redress scheme. We have previously made a submission to the Royal Commission in relation to matters such as funding and sustainability for the redress scheme¹.

We also welcome the Joint Select Committee's role in providing oversight of the implementation of the redress related recommendations by the Royal Commission. We understand the important role the redress scheme plays in providing acknowledgement and support for survivors of institutional child sexual abuse and have provided comment on some key elements of the National Redress Scheme and where applicable, how it has differed from the Royal Commission recommendations.

Our submission includes four recommendations from the Actuaries Institute on issues the Joint Select Committee should tackle in its work.

¹ <https://www.actuaries.asn.au/Library/Submissions/GI/2014/140808RCIRCA.pdf>



1. Coverage of the redress scheme

Royal Commission	A process for redress must provide equal access and equal treatment for survivors
National Redress Scheme	For a person to be eligible for redress, <i>at least one participating institution</i> must be responsible for the abuse of the person.

One of the eligibility criteria for the National Redress Scheme is that one or more participating institutions are responsible for the abuse.

Whilst Commonwealth institutions are automatically included, State institutions and other non-government institutions are required to opt-in to the scheme. There are also provisions for participating government institutions to be funders of last resort if the government institution shared responsibility for the abuse with a defunct institution.

However, this leaves a gap in the coverage of the scheme for:

- (a) defunct institutions where their liability is not shared with a participating government institution, and
- (b) any active institutions which have not opted-in to the National Redress Scheme.

We understand all states and territories have now committed to the National Redress Scheme and many large non-government institutions (including Catholic Church, Anglican Church, Uniting Church, Salvation Army, YMCA and Scouts Australia) have agreed to join the scheme. The Minister for Social Services estimates the scheme will cover 93% of survivors and that more non-government institutions are expected to join.

Given the important role redress plays in acknowledging and supporting survivors, **we ask the Committee to consider an option which achieves full coverage for all survivors, regardless of whether the institution in which they were abused in is participating in the scheme.** In our view this is simple, inexpensive, fair and good policy in respect of defunct institutions. In respect of active but non-participating institutions, there may need to be some mechanism or incentive (carrot or stick) for them to opt in.

As an example, under the NSW Compulsory Third Party (CTP) Scheme, those injured by uninsured or unidentified persons are still eligible to receive compensation through a 'nominal defendant' scheme. The cost of the nominal defendant scheme is covered by a levy charged to all insurers and the arrangement has been very successful for decades.



2. Counselling

<p>Royal Commission</p>	<p>Counselling and psychological care should be supported through redress in accordance with the following principles:</p> <ul style="list-style-type: none"> a. Counselling and psychological care should be available throughout a survivor's life. b. Counselling and psychological care should be available on an episodic basis. c. Survivors should be allowed flexibility and choice in relation to counselling and psychological care. d. There should be no fixed limits on the counselling and psychological care provided to a survivor. e. Without limiting survivor choice, counselling and psychological care should be provided by practitioners with appropriate capabilities to work with clients with complex trauma. f. Treating practitioners should be required to conduct ongoing assessment and review to ensure treatment is necessary and effective. If those who fund counselling and psychological care through redress have concerns about services provided by a particular practitioner, they should negotiate a process of external review with that practitioner and the survivor. Any process of assessment and review should be designed to ensure it causes no harm to the survivor. g. Counselling and psychological care should be provided to a survivor's family members if necessary for the survivor's treatment.
<p>National Redress Scheme</p>	<p>The redress will contain a counselling and psychological component which, depending on where the person lives, consists of access to counselling and psychological services or a counselling and psychological services payment (of up to \$5,000).</p>

As detailed in the Royal Commission report, the trauma of institutional child sexual abuse is profound and far-reaching. Counselling services should be made available throughout the survivor's lifetime and on an episodic basis. Depending on the needs of the survivor, the cap of \$5,000 in counselling services imposed in the National Redress Scheme may be insufficient. This may result in the survivor being unable to access valuable treatment at a time when it is needed.

Given the significant benefits of timely and appropriate counselling and the complex and varied needs of each survivor, **we ask the Committee to consider an option whereby additional counselling services or payments are made available if the survivor is able to demonstrate the need.**



This is similar to the system in place for Victims Services NSW whereby eligible applicants have 22 hours of counselling available and further hours of counselling may be approved if the victim requires.

3. Assessment framework

The Royal Commission recommended the assessment framework to include components which recognise the severity of abuse, the impact of abuse and additional elements (whether the survivor was in state care, in a 'closed' institution, suffered other forms of abuse or were particularly vulnerable due to their disability). Whilst the Department of Social Services (DSS) have stated that the assessment framework design is based on the approach recommended by the Royal Commission, it has not provided any details on the assessment framework and how each of the components are used to determine the monetary payment.

This lack of transparency in understanding how the monetary payment is decided may hinder the application process and result in frustration from applicants when their monetary payment is assessed below their expectations.

We suggest that the Committee recommend that DSS provide information on the assessment framework to enable applicants to provide the necessary information and have a basis to understand how their monetary payment will be calculated.

4. Sustainability of the scheme - data capture and monitoring of scheme costs

As stated in the National Redress Scheme participant and cost estimates report by Finity, there is significant uncertainty in the number of scheme participants and their severity and impact of abuse (and hence the monetary payment outcome). It is plausible that the number of scheme participants and/or the average size of the monetary payment exceed projections, resulting in higher than expected costs for participating institutions and this may jeopardise the financial sustainability of the scheme.

It is therefore vitally important for the scheme to capture good quality data to enable the continuous monitoring of key indicators such as the number of applications received and the amount awarded for monetary payment and counselling services.

The Actuaries Institute recommends that a structured 'actuarial control process' be included in the governance arrangements from the outset and that the Committee can play a key role in ensuring this occurs. This will enable the scheme to provide participating institutions with timely information on expected liabilities and to provide insights into particular trends and emerging costs of the scheme. It is a small up-front investment that produces substantial risk management benefits for scheme sustainability – both financially and in operational performance.



Should the Committee wish to discuss any aspects of this submission or require any further information please contact the CEO of the Actuaries Institute, Elayne Grace on [redacted] or via email [redacted]

Yours sincerely

Barry Rafe
President