

The Auditor-General  
Auditor-General Report No.9 2025–26  
Performance Audit

## **Department of Social Services' Management of the National Redress Scheme**

Department of Social Services

Australian National Audit Office



# Audit snapshot

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*Department of Social Services' Management of the National Redress Scheme*

### Why did we do this audit?

- ▶ The National Redress Scheme (the Scheme) provides support to people who experienced institutional child sexual abuse in Australian institutions, and holds institutions accountable for this abuse.
- ▶ This audit provides assurance to Parliament of the effectiveness of the Department of Social Services' (the department) administration of the Scheme.

### What did we find?

- ▶ The administration of the National Redress Scheme is partly effective.
- ▶ The department's governance arrangements for the Scheme are largely effective.
- ▶ The department's processes to administer the Scheme were partly effective.
- ▶ The department's arrangements to monitor and report on the efficiency and effectiveness of the Scheme were partly appropriate.

### Key facts

- ▶ The Scheme started on 1 July 2018 and ends on 30 June 2028.
- ▶ The total budget for the life of the Scheme was over \$5 billion as at July 2025.
- ▶ There were 63,995 applications to the Scheme, as at 4 July 2025.
- ▶ Non-government Participating Institutions are liable for the costs of providing redress.

### What did we recommend?

- ▶ There were five recommendations to the department, concerning communication with stakeholders, quality assurance of application decisions, oversight of service delivery from Services Australia, establishing efficiency indicators and monitoring of review recommendations.
- ▶ The Department of Social Services agreed to all recommendations.

\$1.7bn

had been paid to survivors, as at 4 July 2025.

60%

of total applications were awaiting an outcome, as at 4 July 2025.

16.3 months

is the average time to complete processing an application, as at 30 June 2025.

# Summary and recommendations

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## Background

1. The Australian Government established the National Redress Scheme for Institutional Child Sexual Abuse (the Scheme) in response to the Royal Commission into Institutional Responses to Child Sexual Abuse (the Royal Commission).<sup>1</sup> The Scheme acknowledges that, ‘many children were sexually abused in Australian institutions and seeks to hold institutions to account for this abuse and help people who have experienced abuse gain access to redress.’<sup>2</sup>
2. Redress under the Scheme consists of:<sup>3</sup>
  - a monetary payment of up to \$150,000 to survivors, as a tangible means of recognising the wrong survivors have suffered; and
  - a counselling and psychological component which, depending on where the survivor lives, consists of access to counselling and psychological services or a monetary payment up to \$5,000; and
  - a direct personal response to survivors from the Participating Institutions and partly Participating Institutions<sup>4</sup> responsible.
3. The Scheme started on the 1 July 2018 and operates under the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* (the Act) with a legislated term of ten years.
4. The main objectives of the Act are to:<sup>5</sup>
  - to recognise and alleviate the impact of past institutional child sexual abuse and related abuse; and
  - to provide justice for the survivors of that abuse.
5. The Department of Social Services (the department) is responsible for the delivery of the Scheme.

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1 Recommendation 26 of the *Redress and Civil Litigation report*, released by the Royal Commission in September 2015, was to ‘establish a single national redress scheme’ that would enable the Australian Government to provide the ‘most effective structure for ensuring justice’ for the survivors of institutions abuse. <https://www.childabuseroyalcommission.gov.au/redress-and-civil-litigation> [accessed 19 May 2025.]

2 Department of Social Services, Department of Social Services Annual Report 2019–20, Canberra, 2020, available from <https://www.transparency.gov.au/publications/social-services/department-of-social-services/department-of-social-services-annual-report-2019-20> [accessed 19 June 2024].

3 *National Redress Scheme for Institutional Child Sexual Abuse Act 2018*, subsection 3(2)(b).

4 Where an institution does not meet the requirements and is unable to join the Scheme, the department investigates the possibility of ‘partly participating’ status through Funder of Last Resort arrangements. ‘Funder of last resort’ is an arrangement where a participating government institution or participating jurisdiction has agreed to pay the redress component for a specific non-government institution that is defunct or unable to join the Scheme.

5 *National Redress Scheme for Institutional Child Sexual Abuse Act 2018*, subsection 3(1).

## Rationale for undertaking the audit

6. The National Redress Scheme is intended to ensure that, where there is a 'reasonable likelihood' that a person is eligible for redress<sup>6</sup>, they receive an offer of redress. As at 4 July 2025, there had been 63,995 applications and approximately \$1.7 billion dollars paid to applicants. The estimated funding profile for the life of the Scheme was over \$5.7 billion as at July 2025, including special appropriations. Non-government Participating Institutions are liable for the costs of providing redress.

7. There has been public and parliamentary interest in the implementation of the Scheme. The Scheme has been subject to Parliamentary inquiries and external reviews. Joint parliamentary committees on the National Redress Scheme have released four reports containing 93 recommendations. This performance audit was conducted to provide assurance to Parliament that the Scheme is being administered effectively.

## Audit objective and criteria

8. The objective of the audit was to assess the effectiveness of the department's administration of the Scheme.

9. To form a conclusion against the audit objective, the following high-level criteria were adopted:

- Has the department established effective governance arrangements for the Scheme?
- Does the department have effective processes to administer the Scheme?
- Has the department established appropriate arrangements to monitor and report on the efficiency and effectiveness of the Scheme?

## Conclusion

10. The Department of Social Services' (the department) administration of the National Redress Scheme (the Scheme) was partly effective. The administration of the Scheme has matured since its inception with largely effective arrangements for Scheme governance. Effectiveness of the department's administration can be improved through stronger planning, more timely processing of applications, enhanced reporting, and coordinated evaluation of engagement activities. With 60 per cent of applications awaiting an outcome as at 4 July 2025, improving service delivery, stakeholder communication and processing efficiency is needed to ensure the department can manage the legislated end of the scheme in 2028.

11. The department had largely effective governance arrangements for the National Redress Scheme including oversight committees and a service arrangement with Services Australia. Governance arrangements have matured since its establishment. There were risk management arrangements from the start of the Scheme, with a high rated risk about finalising applications by 2028 not escalated as required and treatments delayed. A Shared Risk Management Plan was established with Services Australia in 2024. Strategic planning was inconsistent, with annual business plans not considered until 2023 and end-of-Scheme planning initiated in mid-2025.

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<sup>6</sup> The *National Redress Scheme for Institutional Child Sexual Abuse Act 2018*, section 6, defines 'reasonable likelihood' in relation to a person being eligible for redress, to mean 'the chance of the person being eligible is real, is not fanciful or remote and is more than merely plausible.'

There has been no detailed communication planning for the end of the Scheme. Of the 15 communications strategies, plans and frameworks, 10 had not been evaluated and there was a lack of overall coordination. By June 2025, the Scheme had engaged with 63,738 applicants and 911 institutions. The lack of comprehensive communications evaluation and shared risks reporting limited the department's ability to identify and act on opportunities to improve Scheme performance.

12. The department had partly effective processes to administer the Scheme. The department had policies and procedures that reflected the requirements as set out in the *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* and guided staff in processing applications and invoices. Data and reporting practices lacked consistency over the life of the Scheme, including on complaints and institutional onboarding. An Independent Decision-making Quality Framework, established in 2021 to ensure consistency of decision-making, was not implemented as intended. From 1 July 2018 to 30 June 2025, 63,738 applications were received, with 33 per cent completed and an average processing time of 16.3 months. To meet the Scheme's sunset date and deliver outcomes to all applicants, the department will need to accelerate application processing and institutional onboarding, operationalise decision-making quality mechanisms, standardise reporting to improve visibility of complaints and revocations, and leverage insights to support continuous improvement.

13. The department had partly appropriate arrangements to monitor and report on the efficiency and effectiveness of the National Redress Scheme. Performance measures were publicly reported annually, and internal reports on operational statistics were established. The measures lacked comprehensive tracking of application processing, progress and efficiency. No departmental oversight existed for Services Australia's delivery against service levels, limiting insight into effectiveness. Since 2018, six reviews made 142 recommendations, with 76 per cent agreed to by the government and 88 per cent of those were implemented by June 2025. Monitoring and reporting limitations constrained the department's ability to assess the Scheme's efficiency and achievement of intended outcomes.

## Supporting findings

### Governance and communications

14. The department established delegations, and committees to oversee the implementation and operation of the Scheme from 2018. In 2024 the department identified deficiencies in the operations of the committees which had appeared over time and made changes to the committee structure and their roles and responsibilities. The committees operating as at May 2025 were performing their oversight functions in accordance with their terms of reference. The first National Redress Scheme Service Arrangement between the department and Services Australia was signed in June 2021, three years after the Scheme commenced. The 2024 Service Arrangement enabled the delivery of the Scheme through the specification of services and service levels. A Redress Group Business Plan was developed in each year of the Scheme. The plan was not considered by the department until 2023, five years after the start of the Scheme. The department started establishing additional functions for managing end-of-Scheme planning in mid-2025. (See paragraphs 2.4 to 2.23)

15. The department had risk management frameworks from the Scheme's outset, including a Redress Group Risk Management Plan. A high-rated risk of not finalising applications by 30 June 2028 was not reported to the Secretary, and delayed treatments had not been assessed by July 2025. A Shared Risk Management Plan with Services Australia was introduced in late 2024, with the first quarterly review taking place in January 2025. Fraud-related risks were inconsistently identified between the Redress Group Risk Management Plan and the National Redress Scheme Fraud Risk Assessment, indicating a misalignment in risk oversight across these documents. (See paragraphs 2.24 to 2.47)

16. The department established a Communications Strategy for the Scheme in 2018 and a Communications Framework in 2024. Between 2017 and 2024 there were fifteen strategies and plans for communicating with specific stakeholder groups. The relationship between the documents was not documented and there was no evaluation for 10 of the strategies, plans and frameworks. The trauma-informed approach detailed in the 2018 communications strategy was not implemented. A trauma-informed advisor for communications was available since 2021 and a trauma-informed framework was implemented in 2024. Documented guidance and processes for communication with potential institutions was established in 2023, and there has been no evaluation of the onboarding process for institutions. There was no detailed planning for communications about the end of the Scheme, or risk treatments identified. (See paragraphs 2.48 to 2.79)

### **Processing of applications and funding contributions**

17. The department had frameworks, policies and procedures to guide staff in the processing of applications and determining eligibility and outcomes for redress. No targets were established for timely processing of applications to an outcome, or for onboarding of institutions. The average processing time to complete an application was 16.3 months, and 10.4 months to declare a non-government institution. A conflict-of-interest strategy and a fraud management framework for the National Redress Scheme was implemented. The Scheme's 2018 fraud control plan was not reviewed and updated until 2025, despite changes to roles, responsibilities and risks. An Independent Decision-making Quality Framework was established in 2021. The Framework was not reviewed annually as required, and the intended sampling to review decision making by Independent Decision Makers to ensure consistency was not done. (See paragraphs 3.3 to 3.58)

18. The *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* and the department's Internal Assessment Guide establishes the framework for Scheme determination revocations and reviews. The department's Complaints Handling Policy and Procedures and Scheme Complaints Management Framework establishes the framework for managing complaints. Review outcomes were regularly reported to the Group Executive. Data and reporting on complaints changed over time, with no standard procedures to ensure it was capturing consistent and complete complaint themes and extension data since the start of the Scheme, limiting the information available to the department to inform continuous improvement. Since 2019–20, 436 revocations had been considered of which 57 per cent were granted. Over the life of the Scheme the department received 1,111 requests for review (two per cent of total Scheme applications) of which 77 per cent confirmed the original decision. The average processing time for a review was 3.5 months. Between July 2022 and November 2024, there were

1,062 complaints received, of which 22 per cent were outside the department's requirement for an outcome within 28 days. (See paragraphs 3.59 to 3.86)

19. The *National Redress Scheme for Institutional Child Sexual Abuse Act 2018* and the department's Accounts Receivable, Debt Management and Recovery Policy established a framework for Scheme debt recovery. There have been invoicing processes since 2020. Invoice reconciliation did not commence until 2024. Debt management reporting to the department did not support evaluation of cost recovery performance. As at 30 June 2025, \$1.78 billion had been invoiced for the Scheme, of which 92 per cent had been recovered from Participating Institutions. (See paragraphs 3.87 to 3.100)

### **Monitoring and reporting of performance and reviews**

20. The department included reporting on the Scheme in its corporate plans and annual reports since 2018–19, using the same performance measures since 2022–23. The performance measures did not monitor application processing times for the Scheme from start to finish, and did not reflect the progress of applications to the Scheme. The department established internal reports for the Group Executive that provided statistics on applications to the Scheme. The internal reports did not record the methodology and how it changed over time. There was no reporting process or established governance arrangement within the department that enabled oversight of performance for the Scheme's services against the agreed service levels with Services Australia. (See paragraphs 4.5 to 4.25)

21. The department had not developed efficiency measures for the Scheme. A proxy measure for efficiency of processing applications was established in 2020 that focused on the timeliness of decision making, not the complete application processing period. There was no measure to assess efficiency or effectiveness of the cost recovery process. The department reported that it met its proxy efficiency measure for application processing every year except 2020–21 and 2023–24. (See paragraphs 4.26 to 4.35)

22. There were six reports from reviews or enquiries into the Scheme since 2018, with a total of 142 recommendations. The Australian government agreed (in full or in part) to 76 per cent of the recommendations from the first five reports. There have been periodic progress reports on agreed review recommendations. The department does not have a combined and comprehensive reporting framework for monitoring the implementation of all agreed recommendations. The department advised the Group Executive that 88 per cent of the agreed recommendations had been completed. (See paragraphs 4.36 to 4.43)

## Recommendations

**Recommendation no. 1**  
**Paragraph 2.75**

The Department of Social Services evaluate the Scheme's communication frameworks, strategies and plans, and review and update its communications framework to:

- (a) reflect the learnings from evaluations of all previous communication strategies and plans;
- (b) identify communication risks and relate them to the Group's risk management documents;
- (c) include a plan for timely and consistent messaging about the end of the Scheme to stakeholders; and
- (d) ensure coordination of communication activities across stakeholder groups, through to the end of the Scheme.

**Department of Social Services response:** *Agreed.*

**Recommendation no. 2**  
**Paragraph 3.47**

The Department of Social Services review and implement the Scheme's Independent Decision-making Quality Framework.

**Department of Social Services response:** *Agreed.*

**Recommendation no. 3**  
**Paragraph 4.23**

The Department of Social Services establish reporting and governance arrangements with Services Australia that provide whole-of-arrangement oversight of service delivery for the Scheme.

**Department of Social Services response:** *Agreed.*

**Recommendation no. 4**  
**Paragraph 4.32**

The Department of Social Services establish efficiency indicators for the Scheme that enable monitoring and oversight of the efficiency of processing applications and debt recovery activities, and report results publicly.

**Department of Social Services response:** *Agreed.*

**Recommendation no. 5**  
**Paragraph 4.41**

The Department of Social Services develop a framework for reporting on all review and inquiry reports about the Scheme. This framework should include:

- (a) a documented process for monitoring, reviewing and closing all report recommendations, and
- (b) a plan for evaluating how the implementation of recommendations has resulted in continuous improvement.

**Department of Social Services response:** *Agreed.*

## Summary of entity response

23. The proposed audit report was provided to the department. The department's summary response is reproduced below, and its full response in in Appendix 1. Improvements observed by the ANAO during the course of this audit are listed in Appendix 2.

The Department of Social Services (the department) acknowledges the insights and opportunities for improvement outlined in the Australian National Audit Office (ANAO) report on the Department of Social Services' management of the National Redress Scheme (the Scheme).

The department welcomes the audit findings, agrees with the five recommendations and has commenced action to address these matters.

The department acknowledges the ANAO's conclusion the administration of the Scheme was partly effective. The department is committed to the effective administration of the Scheme to ensure applicants receive their redress outcome in a timely manner. The department continues to focus on maturing Scheme governance and has already commenced a range of improvement activities aimed at:

- increasing application throughput and service improvements, recognising a large number of applications to the Scheme
- improving the quality of information received in applications to reduce the need for repeated contact and make it easier to finalise applications
- strengthening the governance and daily operations of the Scheme to enable greater accountability of enabling services and supports including reporting in complaint data
- developing internal application processing key performance indicators and setting monthly and annual targets for the 2025-26 financial year
- developing and implementing a formalised quality framework for Independent Decision Makers (IDMs).

## Key messages from this audit for all Australian Government entities

24. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

### Program implementation

- To support program implementation and ongoing compliance with requirements, high-quality policy and guidance documentation for actions required to deliver a program should be in place at the start of the program. Periodic review of the documentation, with clear version control, helps maintain its fitness for purpose.

### Performance and impact measurement

- To inform decision making on effective delivery of a program, and its continuous improvement, actions required to deliver the program should be regularly measured and evaluated from the start of the program.
- To optimise performance and improve outcomes entities should measure the efficiency of all aspects of program delivery, in terms of the resources consumed to produce outputs as well as the time taken.