

# **VOTE** *Veterans'* *Affairs*

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## Terms and Definitions Used

ANZAC                      Australia New Zealand Army Corps

## Minister Portfolio Table

75                          Minister of Veterans' Affairs

# Veterans' Affairs

ADMINISTERING DEPARTMENTS: New Zealand Defence Force and the Ministry of Social Development

The Minister of Defence is the Responsible Minister for the New Zealand Defence Force

The Minister for Social Development and Employment is the Responsible Minister for the Ministry of Social Development

## Part B - Statement of Appropriations

### Summary of Financial Activity

	2006/07	2006/07 Appropriations to be Used				
	Main Estimates \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000
		Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Appropriations</b>						
Output Expenses	10,567	9,128	-	1,631	-	10,759
Benefits and Other Unrequited Expenses	272,426	N/A	N/A	283,058	-	283,058
Borrowing Expenses	-	N/A	N/A	-	-	-
Other Expenses	-	-	-	8,135	-	8,135
Capital Expenditure	-	N/A	N/A	920	-	920
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	N/A	N/A	-
<b>Total Appropriations</b>	<b>282,993</b>	<b>9,128</b>	<b>-</b>	<b>293,744</b>	<b>-</b>	<b>302,872</b>
<b>Crown Revenue and Receipts</b>						
Tax Revenue	-	N/A	N/A	N/A	N/A	-
Non-Tax Revenue	-	N/A	N/A	N/A	N/A	-
Capital Receipts	-	N/A	N/A	N/A	N/A	-
<b>Total Crown Revenue and Receipts</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>

**Part B1 - Details of Appropriations**

Appropriations	2006/07						Scope of and Reasons for Change in 2006/07 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Expenses (General)</b>							
Policy and Administration (M75)	2,783	-	-	-	2,783	-	The purchase of the provision of policy advice on, and administration of, a wide range of issues relating to veterans' entitlements, care, and recognition. This includes the provision of administrative services to relevant boards and committees, the coordination of commemorations, the administration of contracts for service for, and undertaking quality audits of, maintenance and development work carried out in Services Cemeteries and funding activities for Year of the Veteran.
Processing and Payment of Pensions (M75)	4,155	-	-	-	4,155	-	The purchase of processing and payment of War Disablement Pensions and related allowances, veterans'-related pensions and concessions and payments under the Rehabilitation Loan Programme.
Services to Veterans (M75)	1,998	-	192	-	2,190	-	To purchase the assessment of entitlements and benefits and the provision of appropriate services. This includes the assessment and review of entitlements and benefits - War Disablement Pension, Veterans' Pension and burial in Services Cemeteries, the provision and installation of ex-service memorials for eligible veterans and the provision of case management for veterans and their families.  Reason for Change: The Supplementary Estimates increase provides for costs associated with the implementation of the Viet Nam Veterans MOU and an increase in the revenue estimate for the provision of ex-service memorial plaques.
<b>Total Departmental Output Expenses (General)</b>	8,936	-	192	-	9,128	-	
<b>Non-Departmental Output Expenses</b>							
Development and Maintenance of Services Cemeteries (M75)	746	-	-	-	746	-	The purchase of the development and maintenance of Services Cemeteries.
Support for Veterans and Their Families (M75)	885	-	-	-	885	-	To provide for the support of veterans and their families. This includes the provision of counselling for veterans' families, the reimbursement of out of pocket expenses for veterans' children with specified conditions and additional support for veterans to facilitate them remaining in their own homes for as long as possible.
<b>Total Non-Departmental Output Expenses</b>	1,631	-	-	-	1,631	-	

Appropriations	2006/07						Scope of and Reasons for Change in 2006/07 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Benefits and Other Unrequited Expenses</b>							
Interest Concessions Land and Buildings (M75)	82	-	6	-	88	-	<p>Provision of the differential between the 3% or 5% Rehabilitation Loan rate and the current market rate as set out in the Rehabilitation Act 1941. Legislation enacting the scheme was repealed in August 1991 and the Rehabilitation Loan Programme has since ceased. Current provisions cover the grandparenting of loans.</p> <p>Reason for Change: An increase in the appropriation to reduce the likelihood of an overspend more than offsets the reduction due to lower outstanding value of loans.</p>
Medical Treatment (M75)	14,623	-	2,738	-	17,361	-	<p>Provision to pay assessment costs for War Disablement Pension applications and reviews, medical treatment costs for accepted service-related disabilities, and the costs of appliances and equipment required as a result of an accepted disability as set out in the War Pensions Regulations 1956.</p> <p>Reason for Change: An increase in Medical Treatment (excluding Australia) expenditure forecast.</p>
Veterans' Pension (M75)	139,409	-	4,013	-	143,422	-	<p>Provision of income support for ex-service people in a declared war or emergency who have either reached the qualifying age for New Zealand Superannuation and are on a 70% (or greater) War Disablement Pension, or are unable to participate in the labour force due to disability and who fulfill the New Zealand citizenship and residency requirements as set out in section 70 of the War Pensions Act 1954.</p> <p>Reason for Change: Greater than forecast number of recipients and the increase in the wage floor from 65% to 66% of the net average ordinary time weekly wage for April 2007 applied against a higher wage level. This is partially offset by a lower than forecast average payment rate (before indexation).</p>
War Disablement Pensions (M75)	118,312	-	3,875	-	122,187	-	<p>Provision to pay War Disablement Pensions to ex-service people who have a disability attributed to, or aggravated by service in a declared war or emergency at any time, or in routine service prior to 1974 as set out in section 19 of the War Pensions Act 1954. This appropriation also covers Surviving Spouse Pensions as set out in section 48 of the War Pensions Act 1954, the allowances set out under the War Pensions Act 1954 and the War Pensions Regulations 1956.</p> <p>Reason for Change: A faster increase in the average payment rate forecast, reflecting increases in the average level of assessed disablement.</p>
<b>Total Benefits and Other Unrequited Expenses</b>	<b>272,426</b>	<b>-</b>	<b>10,632</b>	<b>-</b>	<b>283,058</b>	<b>-</b>	

Appropriations	2006/07						Scope of and Reasons for Change in 2006/07 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Other Expenses to be Incurred by the Crown</b>							
Ex-Gratia Payments (M75)	-	-	2,055	-	2,055	-	- Provision of payments to: veterans and/or members of their family with accepted conditions; veterans for one-off medical assessments; the EVSA (Neville Wallace Memorial) Youth Development Trust and the Vietnam Veterans' and their Families Trust.
Fair Value Write Down on the Endowment Trust Loan (M75)	-	-	6,080	-	6,080	-	- Expense representing the concessional (ie interest free) element of the Endowment Trust Loan.
<b>Total Other Expenses to be Incurred by the Crown</b>	-	-	8,135	-	8,135	-	
<b>Capital Expenditure</b>							
Endowment Trust (M75)	-	-	920	-	920	-	- Provision of a one-off payment to establish the 'Vietnam Veterans and their Families Trust' as an endowment trust for the purpose as provided in the trust deed.
<b>Total Capital Expenditure</b>	-	-	920	-	920	-	
<b>Total Appropriations</b>	282,993	-	19,879	-	302,872	-	

## Part D - Explanation of Appropriations for Other Operating Flows

### Part D1 - Benefits and Other Unrequited Expenses

#### *Vote Veterans' Affairs - Social Development*

See Part D1 of the Estimates of Appropriation for the Government of New Zealand for the year ended 30 June 2008 for more details about Vote Veterans Affairs Benefits and Other Unrequited Expenses.

Until now the appropriations for forecast Benefit and Other Unrequited Expense items in this Vote have been forecast on a mid point basis. This means it is to be expected that actual expenditure on some of the forecast items will be more than the mid point forecast and on other forecast items less than the mid point forecast. As an appropriation is a legal upper limit on expenditure, using a mid point forecast to determine the amount of the appropriation inevitably means that there will be unappropriated expenditure for some forecast items, requiring separate ministerial approval and parliamentary confirmation, or parliamentary validation.

To reduce the likelihood of unappropriated expenditure on forecast items in this Vote, the cumulative appropriation for each forecast item in this Vote in the 2006/07 Supplementary Estimates includes for the last three months of 2006/07 not the mid point forecast but a reasonable upper bound of the forecast range. The estimated actual amounts for 2006/07 and the amounts to be appropriated for 2007/08 shown in the 2007/08 Estimates for forecast items in this Vote continue to be on a mid point forecast basis. These are the amounts that continue to be used in the fiscal forecasts in the Budget Economic and Fiscal Update.