

# VOTES *Veterans'* *Affairs*

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# *Veterans' Affairs*

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## Overview

### *Departmental Appropriations*

Departmental appropriations sought for Votes Veterans' Affairs in 2002/03 total \$7.975 million, including GST. This is intended to be spent as follows:

- \$4.649 million (58.2% of departmental appropriations in this vote) to purchase services from the Ministry of Social Development (MSD).
- \$3.326 million (41.8% of departmental appropriations in this vote) to purchase services from Veterans' Affairs New Zealand (VANZ).

### *Non-Departmental Appropriations*

Non-departmental appropriations sought for Votes Veterans' Affairs in 2002/03 total \$206.674 million. This is intended to be spent as follows:

- \$0.260 million to purchase the development and maintenance of Services' Cemeteries (administered through VANZ).
- \$206.414 million for benefits and other unrequited expenses (administered through MSD).

VANZ expects to collect \$370,000 (GST exclusive) in third party revenue in 2002/03.

Details of appropriations are contained in Parts B1, C and D of this Vote.

## Terms and Definitions Used

<b>CDF</b>	Chief of Defence Force
<b>KP/s</b>	Key Priority/ies
<b>MSD</b>	Ministry of Social Development
<b>NZDF</b>	New Zealand Defence Force
<b>RNZRSA</b>	Royal New Zealand Returned Services Association
<b>VANZ</b>	Veterans' Affairs New Zealand
<b>WPS</b>	War Pensions Services

# *Veterans' Affairs*

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VOTE MINISTER: Minister of 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 of Social Services and Employment is the Responsible Minister for the Ministry of Social Development

## Part A - Statement of Objectives and Trends

### Part A1 - Objectives for Votes Veterans' Affairs

#### Introduction

As required by the Public Finance Act 1989, and for accountability purposes, two Votes are sought for veterans-related purposes. To provide a clearer presentation of the appropriations sought, the two Votes are shown together in these *Estimates of Appropriations*:

- **Vote Veterans' Affairs - Defence** is administered by VANZ and includes the provision of policy advice on, and administration of, a wide range of issues relating to veterans entitlements, care and recognition.
- **Vote Veterans' Affairs - Work and Income** administered by the MSD and includes the processing and payment of War Disablement and Veterans' Pensions and concessions, and Rehabilitation Loan Scheme payments. This includes data collection and contributing to the monitoring, evaluation, reporting of trends and risks to Crown expenditure and forecasting of benefits and other unrequited expenses.

Note: As a result of this two-Vote structure, VANZ and the MSD have separate purchase agreements with the Minister of Veterans' Affairs. VANZ and MSD are in the process of aligning their documentation to ensure consistency between policy and service delivery.

#### *Related Government Outcomes*

The outputs of Votes Veterans' Affairs (Defence and Work and Income) have strong links to the Government's Goals 1 and 3, respectively:

- The provision of a specific services to veterans, in recognition of their contribution to the development of New Zealand's national identity, contributes to Key Government Goal 1: "Strengthen National Identity"
- The provision of policy advice on veterans' related issues, the co-ordination of the services provided to veterans and their families by other government departments and agencies, facilitating access to services within the broader community and the development of effective working relationships with veterans' organisations, contributes to Key Government Goal 3: "Restore Trust in Government and Provide Strong Social Services".

VANZ is the Government's principal adviser on veterans' issues. VANZ is responsible for providing advice on, and facilitating the delivery of, a range of services to individual veterans and their families, in recognition of the needs generated as a result of their service.

The Government has charged VANZ with the following responsibilities:

- Managing the Government's relationship with veterans and their representative organisations.
- Assessing veterans' entitlements fairly and accurately.
- Co-ordinating the services provided to veterans and their families by other government departments and agencies.
- Facilitating veterans' access to services within the broader community.

On October 2001 the Department of Work and Income and the Ministry of Social Policy merged to become the MSD. The Government has charged the MSD with the following responsibilities:

- The processing and payment of War Disablement and Veterans' Pensions and concessions, and Rehabilitation Loan Scheme payments in an accurate and efficient manner.
- The collection of veteran's related data, forecasting of benefits and other required expenses, and contributing to the monitoring, evaluation and reporting of trends and risks to Crown expenditure.

Since April 1999, the MSD has managed the administration of war pension services through WPS. An 0800 free phone number is provided for veterans to contact WPS. MSD also fulfils its obligation to ensure veterans receive information on entitlements and benefits via information seminars.

### *Output Classes*

Appropriations for Votes Veterans Affairs will make an important contribution to government activity through the provision of the following outputs:

- Output class Policy, Assessment and Administration – by providing policy advice on, and administration of, a wide range of issues relating to veterans entitlements, care and recognition. This includes the assessment and review of entitlements and benefits, the management of the Rehabilitation Loan Scheme, the provision of case management, the co-ordination of commemorations, services to relevant boards and committees, the provision of memorial plaques and headstones, the audit of Services' Cemeteries, and the administration involved in arranging contracts for services provided under the non-departmental output class (performed by VANZ).
- Output class Processing and Payment of Pensions - by the accurate and efficient processing and payment of War Pensions and related allowances, veterans-related pensions and concessions, and payments under the Rehabilitation Loan Scheme. Other functions include the collection of veteran's related data, forecasting and contributing to the monitoring, evaluation and reporting of trends and risks to Crown expenditure (performed by MSD).

- Output class Development and Maintenance of Services' Cemeteries – by the development and maintenance of Services' Cemeteries (performed under contract by selected manufacturers and service providers for VANZ).

### *Key Priorities*

The Government's ownership interests in Veterans' Affairs are addressed within the KPs. The KPs for 2002/03 are as follows:

- KP 1. Service Delivery. To ensure that eligible veterans and their dependants have access to appropriate services that meet their needs by maintaining the quality of decision making, developing effective referral systems, continually reviewing service delivery practices to improve performance and value for money and implementing improvements to the mechanisms by which veterans receive information on programmes, entitlements and benefits.
- KP 2. Relationship Management. To ensure that there are effective working relationships with all key stakeholders, and an understanding of the issues and drivers in the veteran community, by exploring alternative ways of communicating with veterans and their representative organisations. Consolidation of the working relationship between VANZ and MSD.
- KP 3. Policy and Research. To ensure VANZ provides quality advice to support decision making and service delivery by undertaking research into issues relating to recognition and entitlement.
- KP 4. Acknowledge and Commemorate. To ensure that there is community acknowledgement of the role veterans played, and continue to play, in developing New Zealand as a nation by facilitating veterans' participation in commemorative activities and increasing awareness of significant military anniversaries.
- KP 5. Corporate Management. To ensure that there are systems and resources in place to support effective service delivery. The maintenance of sound management practices to ensure the accurate and timely processing and payment of War Disablement and Veteran's Pension, concessions and allowances, and the Rehabilitation Loan repayments. Active management of the risks associated with the Vote expenditure.
- KP 6. Partnership. To ensure that the Crown's obligations under the Treaty of Waitangi, and the role of Maori as Tangata Whenua, is acknowledged by ensuring that the approach to service delivery meets the needs of Maori veterans and their families.

The above KPs are fully detailed in the 2002/03 Veterans' Affairs – Defence and 2002/03 Veterans' Affairs - MSD Purchase Agreements.

## Part A2 - Trends in Votes Veterans' Affairs

### *Output Trends 1999/2000 – 2001/02*

As Votes Veterans' Affairs was established in July 1999, it is not possible to provide a comparison of significant trends in departmental and non-departmental output classes prior to 1998/99. An analysis of the expenditure trends for taxable benefits and other unrequited expenses, adjusted so that all figures quoted are on a gross of taxation basis, has been provided for the five-year period. The table at the end of Part A2 shows the trends in Votes Veterans' Affairs since first established as a separate portfolio.

#### **Departmental outputs**

- An increase of \$450,000 (GST inclusive) to Vote Veterans' Affairs-Defence in 1999/2000 and outyears, to be applied to Output Class D1 (Policy, Assessment and Administration), to reflect the transfer of staff and overhead funding from Vote Veterans' Affairs - Work and Income.
- A transfer to Vote Veterans' Affairs-Defence from the MSD of \$169,000 (GST inclusive) in 1999/00 only, to meet additional costs associated with the original set up of Veterans' Affairs New Zealand.
- An increase of \$9,000 in 1999/2000, and \$11,000 in 2000/01 and outyears (all GST inclusive) to Vote Veterans' Affairs-Defence. This reflects the transfer to VANZ of the responsibility for activities relating to the operation of the Patriotic and Canteen Funds Act 1947 and the War Funds Act 1915.
- An increase of \$100,000 (GST inclusive) in 2000/01 only to Vote Veterans' Affairs-Defence. This was to provide for research into the health status of children of Operation Grapple and Vietnam veterans.
- An increase of \$108,000 (GST inclusive) in 2001/02 and outyears to Vote Veterans' Affairs - Defence for personnel costs / increase in staff numbers within VANZ to meet the increased requirements in the area of Ministerial Servicing and Support.
- An increase of \$100,000 (GST inclusive) in 2001/02 and outyears to Vote Veterans' Affairs - Defence to provide for co-ordination of commemorative activity.
- An increase of \$10,000 (GST inclusive) in 2001/02 and outyears to Vote Veterans' Affairs - Defence for administrative costs associated with the development and maintenance of Services' Cemeteries.
- An increase of \$1.619 million in 2001/02 and \$1.607 million in 2002/03 and outyears (all GST inclusive) to Vote Veterans' Affairs - Defence to fund the introduction of case management and for the provision of additional services to the children of Vietnam and Operation Grapple Veterans.
- A transfer of \$133,000 in 2001/2002 and \$177,000 in 2002/03 and outyears (all GST inclusive) from Vote Veterans' Affairs - Work and Income to Vote Veterans' Affairs - Defence to fund the transfer of the War Pensions Claims Panels from the MSD WPS to VANZ.
- An increase of \$65,000 in 2001/02 and \$79,000 in 2002/03 and outyears (all GST inclusive) to fund the operation of the War Pensions Claims Panels within VANZ.

**Non-departmental outputs**

- A decrease of \$101,000 (GST inclusive) to Vote Veterans' Affairs - Defence in 1999/2000 and outyears to cover the additional costs through a loss in efficiency within the Heritage Property Unit of the Department of Internal Affairs. This occurred as a result of the separation of the inspection and maintenance of Services' Cemeteries (transferred to Veterans' Affairs New Zealand) from the inspection and maintenance of war and historic graves and national monuments (retained within the Department of Internal Affairs).
- An increase of \$50,000 in 2001/02 and outyears to fund the additional costs of the annual maintenance grant paid to providers, nation-wide, for the routine upkeep of Services' Cemeteries.

**Benefits and Other Unrequited Expenses**Veterans Pensions

Annual expenditure is projected to increase to \$96 million in 2001/02 from \$81 million in 1997/98. Veterans Pension recipients are projected to increase to an average of 7,500 in 2001/02 from 7,300 in 1997/98.

Both the number of recipients and the average payment rate has grown steadily over the past five years leading to the rise in Veterans Pension expenditure. Mandated rate increases due to cumulative CPI indexation and the April 2000 adjustment to the base married rate together account for about seventy percent of the change in expenditure. The average payment rate is also tied to the increasing number of Veterans Pension recipients that receive the higher single payment rates.

War Disablement Pensions

Annual expenditure is projected at \$95 million in 2001/02, lower than the \$96 million in 1997/98. War Disablement Pension recipients are projected to fall to 23,000 in 2001/02 from 25,400 in 1997/98.

Declining expenditure over the five year period has been driven by decreasing recipient numbers, mostly offset by the CPI indexation increase in the average payment rate.

Medical Treatment

Annual expenditure is projected to increase to \$10 million in 2001/02 from \$7 million in 1997/98. About three-fourths of this increase is due to increasing expenditure on Aids and Appliances with most of the remainder due to Medical Treatment (excluding Australia).

Interest Concessions Land and Buildings

Annual expenditure is projected to decrease to \$0.2 million in 2001/02 from \$0.7 million in 1997/98. This decrease is driven by fewer numbers of outstanding loans and lower amounts of outstanding capital per loan.

**Other Expenses**

A non-departmental other expense of \$200,000 in 1999/2000 only. This was a "Grant to the New Zealand Nuclear Test Veterans Association (NZNTVA)" for the purposes and objectives of the NZNTVA - as defined in its Charitable Trust Deed.



### New Zealand Prisoners of War of Japan

A total of \$4.5 million was provided in 2000/01 to pay a one off ex-gratia payment to ex-prisoners of war, civilian internees, or their surviving spouses, who were held prisoner by Japan during the Second World War. Each ex-prisoner of war, civilian internee, or surviving spouse receives a payment of \$30,000.

### *Analysis by Appropriation Type: 2001/2002 and 2002/2003 Compared*

#### **Benefits and other Unrequited Expenses**

##### Veterans Pension

The appropriation is projected to increase from \$96 million in 2001/02 to \$101 million in 2002/03. Veterans Pension recipients are projected to increase from 7,500 in 2001/02 to 7,700 in 2002/03. The projected increase in appropriation is due to an increase in pensioner numbers combined with CPI indexation of Veterans Pension payment rates and the rising proportion of people on the higher single person rates of pension.

##### War Disablement Pensions

The appropriation is projected to decrease from \$95 million in 2001/02 to \$94 million in 2002/03. War Disablement Pension recipients are projected to decrease from 23,000 in 2001/02 to 22,000 in 2002/03. The CPI indexation of War Disablement Pension payment rates offsets over half of the expenditure reduction caused solely by the projected decrease in recipients.

##### Medical Treatment

The appropriation is projected to increase from \$9.9 million in 2001/02 to \$11.7 million in 2002/03. There are three drivers of this expenditure line item – Medical Treatment (excluding Australia) cost increases relate to the increasing costs of assessment and treatment; Medical Treatment Australia cost volatility relates to both increasing costs of assessment and treatment and the \$AU/\$NZ exchange rate; Aids and Appliances increases relate to the increasing use of high technology hearing aids and related costs.

Medical Treatment (excluding Australia) accounts for most of the expected increase over the next year followed by Aids and Appliances.

##### Interest Concessions Land and Buildings

The appropriation is projected to remain static at \$0.2 million in 2001/02 and 2002/03. The expected rise in interest rates in 2002/03 after the temporarily low rates during 2001/02 is expected to offset the long-term trend fall in outstanding capital.

#### **Other Expenses**

There are no other expenses in 2002/03.

## Trends in Vote Veterans' Affairs - Defence Force - Summary of Appropriations and Crown Revenue

Types of Appropriation	1997/98	1998/99	1999/2000	2000/01	2001/02		2002/03 Appropriations to be Used				2003/04	2004/05	2005/06	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
<b>Operating Flows</b>														
Classes of Outputs to be Supplied	-	-	5,394	5,784	8,234	8,208	7,975	-	260	-	8,235	8,235	8,235	8,235
Benefits and Other Unrequited Expenses	-	-	185,269	192,482	200,986	200,986	N/A	N/A	206,414	-	206,414	208,721	206,455	202,749
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	-	-	-	1,050	3,731	3,731	-	-	-	-	-	-	-	-
<b>Capital Flows</b>														
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase or Development of Capital Assets	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Repayment of Debt	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
<b>Total Appropriations</b>	-	-	190,663	199,316	212,951	212,925	7,975	-	206,674	-	214,649	216,956	214,690	210,984
<b>Total Crown Revenue and Receipts</b>	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-

## Part B - Statement of Appropriations

### Part B1 - Details of Appropriations

	2001/02				2002/03		Description of 2002/03 Appropriations
	Vote		Estimated Actual		Vote		
Appropriations	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Classes (Mode B Gross)</b>							
<b>Vote Veterans' Affairs - Defence, administered by the New Zealand Defence Force</b>							
D1 Policy, Assessment and Administration	3,281	-	3,281	-	<b>3,326</b>	-	The purchase of policy advice on, and administration of, a wide range of issues relating to veterans' entitlements, care, and recognition. This includes the assessment and review of entitlements and benefits, management of the Rehabilitation Loan Scheme, provision of case management, co-ordination of commemorations, services to relevant boards and committees, provision of memorial plaques and headstones, audit of Services' Cemeteries, and the administration involved in arranging contracts for the maintenance and capital works in Services' Cemeteries.
<b>Vote Veterans' Affairs - Work and Income, administered by the Ministry of Social Development</b>							
D2 Processing and Payment of Benefits	4,693	-	4,667	-	<b>4,649</b>	-	The purchase of processing and payment of war disability pensions and related allowances, veterans-related pensions and concessions and payments under the Rehabilitation Loan Programme.
<b>Total Appropriations for Departmental Output Classes (Mode B Gross)</b>	<b>7,974</b>	<b>-</b>	<b>7,948</b>	<b>-</b>	<b>7,975</b>	<b>-</b>	

## Part B1 - Details of Appropriations

Appropriations	2001/02				2002/03		Description of 2002/03 Appropriations
	Vote		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Non-Departmental Output Classes</b>							
<b>Vote Veterans' Affairs - Defence, administered by the New Zealand Defence Force</b>							
O1 Development and Maintenance of Service Cemeteries	260	-	260	-	<b>260</b>	-	The purchase of services for the maintenance of Services' Cemeteries and capital works in Services' Cemeteries.
<b>Total Appropriations for Non-Departmental Output Classes</b>	260	-	260	-	260	-	
<b>Benefits and Other Unrequited Expenses</b>							
<b>Vote Veterans' Affairs - Work and Income, administered by the Ministry of Social Development</b>							
Interest Concessions Land and Buildings	197	-	197	-	<b>199</b>	-	Provision of the differential between the 3% or 5% Rehabilitation Loan rate and the current market rate. The Rehabilitation Loan programme has now ceased, and the current provisions cover the grandparenting of loans.
Medical Treatment	9,852	-	9,852	-	<b>11,730</b>	-	Provision to pay assessment costs for war disablement pensions 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.

Veterans' Pension	96,061	-	96,061	-	<b>100,768</b>	-	Provision of income support for ex-service people who have either reached the qualifying age for New Zealand Superannuation and are on a 70% (or greater) war disablement pension, or are precluded from participating in the labour force because of a disability and who fulfil the New Zealand citizenship and residency requirements.
War Disability Pensions	94,876	-	94,876	-	<b>93,717</b>	-	Provision to pay war disablement pensions to ex-Service people who have a disability caused or aggravated by service in a war or emergency at any time, or in routine service prior to 1974. This appropriation also covers surviving spouses' pensions, educational bursaries and travel costs.
<b>Total Appropriations for Benefits and Other Unrequited Expenses</b>	200,986	-	200,986	-	206,414	-	
<b>Other Expenses to be Incurred by the Crown</b>							
<b>Vote Veterans' Affairs - Defence, administered by the New Zealand Defence Force</b>							
Grant to Rannerdale Trust War Veterans' Rest Home	281	-	281	-	-	-	Provides for a grant to assist in the reconfiguration of the Rannerdale Trust War Veterans' Rest Home in Christchurch.
Ex-Gratia Payment for POWs/Surviving Spouses of Japanese POWs	3,450	-	3,450	-	-	-	Provides for Ex Gratia payments to New Zealanders (or their surviving spouses) held as Japanese Prisoners of War (POWs) during World War 2.
<b>Total Appropriations for Other Expenses to be Incurred by the Crown</b>	3,731	-	3,731	-	-	-	
<b>Total Appropriations</b>	212,951	-	212,925	-	214,649	-	

## Part C - Explanation of Appropriations for Output Classes

### Part C1 - Departmental Output Classes

#### *Vote Veterans' Affairs - Defence*

##### **Output Class D1 – Policy, Assessment and Administration**

Under this output class the Minister of Veterans' Affairs purchases policy advice on, and administration of, a wide range of issues relating to veterans entitlements, care and recognition. This output class includes the assessment and review of entitlements and benefits, the management of the Rehabilitation Loan Scheme the provision of case management, the co-ordination of commemorations, services to relevant boards and committees, the provision of memorial plaques and headstones, the audit of Services Cemeteries, and the administration involved in arranging contracts for services provided under the non-departmental output class. Also included are draft responses, on behalf of the Minister of Veterans' Affairs, to Ministerial and Parliamentary questions, Official Information Act inquires and Ombudsmen correspondence.

##### Performance information

Performance information (quantity, quality, timeliness and cost) associated with this output is detailed in the *2002/2003 Purchase Agreement for Veterans' Affairs-Defence*

#### *Vote Veterans' Affairs - Work and Income*

##### **Output Class D2 – Processing and Payment of Benefits**

Under this output class the Minister of Veterans' Affairs will purchase the processing and payment of War Disablement Pensions and related allowances, veterans-related pensions and concessions, and payments under the Rehabilitation Loan provisions. The Minister also purchases the collection of War Disablement and Veteran's Pension data, and the monitoring and evaluation of such data, and clear and concise reporting to interested parties. This includes accurate and timely reporting on expenditure patterns, forecasting of such expenditure, trends and risks to Crown expenditure.

##### Performance information

Performance information (quantity, quality, timeliness and cost) associated with this output is detailed in the *2002/2003 Purchase Agreement for Veterans' Affairs-Work and Income*.

## Part C2 – Non-departmental Output Classes

### *Vote Veterans' Affairs - Defence*

#### **Output Class O1 – Development and Maintenance of Services' Cemeteries**

Under this output class, the Minister of Veterans' Affairs will purchase services for the development and maintenance of Services' Cemeteries.

#### Performance targets and measurement

The Minister of Veterans' Affairs will expect:

- 177 Services' Cemeteries throughout New Zealand to be maintained
- Works in Services' Cemeteries to be to the satisfaction of Local Authorities, the Royal New Zealand Returned Services Association and veterans' representatives organisations
- 90% of all contracts for capital works and maintenance in Services' Cemeteries to comply with agreed contract standards.

#### Cost

2002/03	Total output class O1 to be provided within (GST not applicable)	\$260,000
2001/02	Total output class O1 to be provided within (GST not applicable)	\$260,000

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

### Part D1 - Benefits and Other Unrequited Expenses

#### *Vote Veterans' Affairs - Work and Income*

##### **Veteran's Pension**

Veteran's Pension is payable to ex-Service people who served during either a war or emergency, and have either:

- reached the qualifying age for New Zealand Superannuation and qualify for a War Disablement Pension of at least 70%, or
- not reached the qualifying age but are unable to work for a substantial period because of a disability from any cause.

Veteran's Pension is not income-tested but are taxable. The rates of payment are the same as for New Zealand Superannuation.

##### **War Disablement Pension**

A War Disablement Pension may be payable to:

- ex-Service people whose disability is attributable to their service in a recognised war or emergency, and
- routine-service people whose disability was caused by, or aggravated by, service prior to 1 April 1974 (when the Accident Compensation provisions came into force).

War Pensions Claims Panels, acting under authority delegated by the Secretary for War Pensions (who is also the Director, Office of Veterans' Affairs), decide who is eligible to receive a War Disablement Pension and the pension rate.

A War Disablement Pension may be received on its own or in conjunction with other social assistance or income.

Weekly payments range from \$7.78 for a 5% disability to \$155.53 for a 100% disability. Thresholds over 100% are payable in cases of severe disablement, up to \$273.74 (160% disabled and over 60 years of age).

There is provision to pay Surviving Spouses' Pensions of \$114.73 per week to surviving spouses of ex-Service people or routine-service people in certain circumstances. This pension is paid in addition to any other social assistance or income.

There is also provision to pay specific concessions and allowances to veterans with certain disabilities, and educational bursaries to children of veterans or surviving spouses in some cases. Educational bursary payments range from \$170.44 to \$809.03 per child, per year.



**Medical treatment**

The medical treatment appropriation covers medical assessment costs and costs related to individual veterans medical treatment, including pharmaceutical supplies, aids and appliances, and travel associated with medical appointments.

**Interest concessions land and buildings**

The Rehabilitation Loan programme funds the difference between the fixed 3% or 5% interest rate available to certain ex-Service people for their mortgage and the current market rate. The decision to approve any payments is made by the Secretary for War Pensions. The Rehabilitation Loan programme was discontinued in 1990, and no further Rehabilitation Loans are available. All current loans have a value of below \$17,000, and the number of outstanding loans is gradually reducing.