

Performance Information for Appropriations

Vote Veterans' Affairs - Defence Force

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Veterans' Affairs (M75)

ADMINISTERING DEPARTMENT: New Zealand Defence Force

MINISTER RESPONSIBLE FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister of Veterans Affairs is responsible for the appropriations in the Vote for the 2009/10 financial year covering the following:

- A total of over \$2 million for the provision of policy advice, the provision of administrative services to relevant boards and committees, the coordination of commemorations and the administration of contracts for work carried out in Services Cemeteries.
- A total of over \$5 million for the assessment and review of entitlements and benefits (War Disablement Pension, Surviving Spouse 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.
- A total of under \$1 million for the development and maintenance of Services Cemeteries.
- A total of under \$4 million for the provision of services to veterans and their families.
- A total of over \$171 million for benefits and medical treatment to veterans and their families.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

Government Priorities and Outcomes - Links to Appropriations

Appropriations	Government Priorities	Government Outcomes
<p>Departmental Output Appropriations: Policy and Administration Services and Payments to Veterans</p> <p>Non-Departmental Output Appropriations: Development and Maintenance of Services Cemeteries Support for Veterans and Their Families</p> <p>Benefits and Other Unrequited Expenses: Medical Treatment War Disablement Pensions</p> <p>Non-Departmental Other Appropriations: Ex-Gratia Payments Debt Write-Down for Benefits and Other Unrequited Expenses</p>	<p>The Government's underpinning policy related to veterans is 'Respecting Veterans, Honouring Service'. This is substantiated by the broader principles of:</p> <ul style="list-style-type: none"> • respecting Veterans • strengthening Communities • dignity for Older New Zealanders. 	<ul style="list-style-type: none"> • Veterans are acknowledged and recognised for their service and sacrifice and the community is aware of the role veterans have played and continue to play in developing New Zealand as a nation. • Working in partnership with NZDF, the impacts of service on eligible veterans and their dependants are monitored and they have information about and access to services and supports that promote wellbeing. • The veteran's perspective is considered as part of government decision-making on issues that impact on their lives.

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2004/05	2005/06	2006/07	2007/08	2008/09		2009/10			2010/11	2011/12	2012/13
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	4,474	4,227	6,604	7,290	10,105	10,105	8,377	2,623	11,000	10,150	10,150	9,900
Benefits and Other Unrequited Expenses	-	-	-	-	166,581	164,921	N/A	171,139	171,139	177,799	184,866	189,735
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	8,135	1,187	1,050	1,050	-	2,250	2,250	1,950	1,650	1,550
Capital Expenditure	225	2,500	920	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	4,699	6,727	15,659	8,477	177,736	176,076	8,377	176,012	184,389	189,899	196,666	201,185
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-

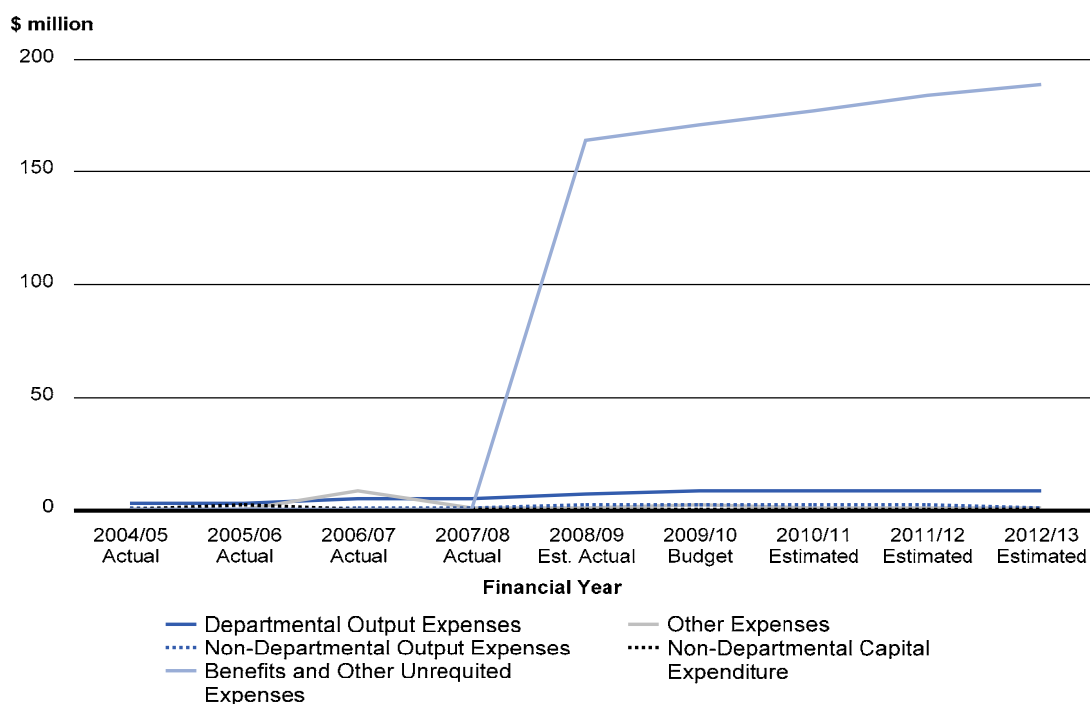
New Policy Initiatives

Policy Initiative	Appropriation	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Additional Funding for the three Veterans' Homes: Montecillo, Rannerdale and Ranfurly.	Support for Veterans and their Families. (Non-Departmental Output Expense).	-	600	-	-	-
Funding for yearly medical checks for Vietnam Veterans.	Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans. (Non-Departmental Output Expense).	-	1000	1000	1000	1000
	Policy and Administration. (Departmental Output Expense).	-	200	200	200	200
Ex-gratia payments to Vietnam Veterans.	Support for Veterans and their Families. Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans. (Non-Departmental Other Expense).	-	1,000	700	400	300

Analysis of Significant Trends

Total Vote: All Appropriations

Figure 1 - Vote trends in actual expenses and capital expenditure by appropriation type



Source: New Zealand Defence Force

The appropriations in Vote Veterans' Affairs - Defence Force show the changes discussed briefly below.

The following changes are noted:

- The total increase in funding of over \$2 million between 2005/06 and 2006/07 was primarily to cover the 2006 Year of the Veteran activities.
- The total increase in funding of over \$3 million in 2006/07 and 2007/08 to implement the Memorandum of Understanding (MOU) signed by the Crown and the Ex-Vietnam Services Association and the Royal New Zealand Returned and Services' Association (RNZRSA) regarding the concerns of Vietnam Veterans. This was primarily made up from one-off costs: \$1.680 million for provision of ex-gratia payments to Vietnam Veterans and/or members of their family with accepted conditions and one-off medical assessments; a grant of \$120,000 to the Vietnam Veterans and their Families Endowment Trust to cover administration costs and payments to some veterans and their family members until the time the trust starts to generate its own income, and an additional grant of \$180,000 to the Vietnam Veterans and their Families Endowment Trust to cover payments to some veterans and their family members until the time that the trust starts to generate its own income; costs associated with the 2006 Year of the Veteran activities; one-off funding to cover participation in commemorations and arrangements covered by the Memorandum of Understanding (MOU) signed by the Crown and the Ex-Vietnam Services Association and the Royal New Zealand Returned and Services' Association (RNZRSA) regarding the concerns of Vietnam Veterans.

Comparison with 2008/09 and 2009/10

Departmental Output Expenses

Funding has increased in the 2009/10 year as compared to 2008/09. This is primarily due to the reorganisation of Veterans' Affairs New Zealand, with increased funding reflecting the increased size and scope of Veterans' Affairs as a result of this change. The funding increases include:

- An increase of \$3 million in 2008/09 for the for the assessment and review of entitlements and benefits. This is primarily due to the reorganisation of Veterans' Affairs New Zealand, with the New Zealand Defence Force assuming responsibility for the payment of veterans' entitlements.

Non-Departmental Output Expenses

Funding has increased in the 2009/10 year as compared to 2008/09. This is primarily due to the increased need and demand for services from the veteran community. The funding increase includes:

- An increase of \$300,000 for the provision of support for Veterans and their Families.

Benefits and Other Unrequited Expenses

This increase to appropriations is primarily due to the reorganisation of Veterans' Affairs New Zealand, with the New Zealand Defence Force assuming responsibility for the payment of veterans' entitlements in 2008/09. These appropriations will increase by \$4.558 million in 2009/10 to a total of over \$171 million for benefits and medical treatment to veterans and their families.

Non-Departmental Other Expenses

Funding has increased in the 2009/10 year as compared to 2008/09. This is primarily due to the Government policy decision to provide Vietnam Veterans with an annual comprehensive medical assessment. The total funding increase is for \$1.200 million.

Outyears: 2010/11 - 2012/13

There are no significant forecast changes for the outyears 2010/11 - 2012/13.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Veterans are acknowledged and recognised for their service and sacrifice and the community is aware of the role veterans have played and continue to play in developing New Zealand as a nation.	Policy and Administration
	Services and Payments to Veterans
Working in partnership with the NZDF, the impacts of service on eligible veterans and their dependants are monitored and they have information about and access to services and supports that promote wellbeing.	Policy and Administration
	Services and Payments to Veterans
The veterans' perspective is considered as part of government decision-making on issues that impact on their lives.	Policy and Administration

Policy and Administration (M75)

Scope of Appropriation

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.

Expenses and Revenue

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,269	2,269	2,400
Revenue from Crown	2,269	2,269	2,400
Revenue from Other	-	-	-

Reasons for Change in Appropriation

This appropriation will increase by \$131,000 for 2009/10. The increase mainly relates to the implementation of the Government's policy to provide Vietnam Veterans with an annual comprehensive medical assessment.

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Provide policy advice to the Minister of Veterans' Affairs on veterans' entitlements, care and recognition			
Replies to requests within 20 days of receipt of requests, if not otherwise specified.	95%	95%	95%
The drafts of policy papers presented to the Minister will be accepted on their first presentation.	95%	95%	95%
Policy papers will meet defined characteristics of quality advice (purpose, logic, accuracy, options, consultation, practicality and presentation).	meet	meet	meet
Responses to submissions, other than policy papers, accepted without amendment.	90%	90%	90%
Provide Ministerial Servicing and Support			
Replies to requests within 20 days of receipt of requests, if not otherwise specified.	95%	95%	95%
Responses accepted without amendment.	95%	95%	95%
Provide Administration for War Pensions Appeal Board and War Pensions Advisory Board			
Arrangements and actions meet Boards requirements.	meet	meet	meet
Actions defined by Boards will be completed within 20 working days after decisions made, unless otherwise specified.	95%	95%	95%
Management of Rehabilitation Loan Scheme			
Provide information to MSD in timely manner to enable them to make payments.	100%	100%	100%
Administration of maintenance agreements and contracts for service relating to the maintenance and development of Services Cemeteries			
Contracts to be current, legally correct and clearly specify maintenance and development requirements.	meet	meet	meet
No breaches of contract by Veterans' Affairs New Zealand.	100%	100%	100%
Breaches of contracts by contractors will be managed as per the conditions in the contract.	meet	meet	meet
Services Cemeteries will have maintenance agreement specifying the maintenance standards in place.	100%	100%	100%
Quality Audits of Services Cemeteries			
Specifications outlined in contracts for service have been met.	100%	100%	100%
Coordinate New Zealand's participation in the commemoration of significant military anniversaries			
Participation to be delivered in accordance with agreed parameters and budget.	meet	meet	meet

Conditions on Use of Appropriation

Reference	Conditions
Quality Characteristics	Description
Purpose	The aims of the papers are clearly stated and answer the questions the Minister has raised.
Logic	The assumptions behind the advice are explicit, the argument is logical and supported by facts.
Accuracy	The facts in the papers are accurate and all material facts have been included.
Options	An adequate range of options has been presented and each is assessed for benefits, costs and consequences to the Government and the community.
Consultation	Evidence of adequate consultation with interested parties and possible objections to proposals have been identified.
Practicality	The problems of implementation, technical feasibility, timing and consistency with other policies have been considered.
Presentation	The format meets Cabinet Office requirement, the material is effectively and concisely summarised, has short sentences in plain English, and is free from spelling and grammatical errors.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Commemoration of Anzac Day at Gallipoli	2005/06	746	820	897	897	897
NZ Government attendance at the commemoration of the 90th anniversary of Passchendaele	2006/07	196	-	-	-	-
Funding for yearly checks for Vietnam Veterans	2009/10	-	200	200	200	200

Services and Payments to Veterans (M75)

Scope of Appropriation

This appropriation is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions and allowances, Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.

Expenses and Revenue

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,513	5,513	5,977
Revenue from Crown	5,036	5,036	5,500
Revenue from Other	477	477	477

Reasons for Change in Appropriation

This appropriation will increase by \$464,000 for 2009/10. This increase is due to the relocation of the administration of the War Disablement Pension from the Ministry of Social Development to the New Zealand Defence Force.

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assess and Review Entitlements to War Disablement Pension			
Assessments and Reviews will be conducted against extant policy.	meet	meet	meet
War Disablement Pension Claims will be resolved within 2 months of receipt where all the required documentation has been provided with the application.	-	-	85%
Reviews and re-openings will be completed within 3 months of receipt by the National Review Officer.	95%	95%	95%
Reviews will be completed within 3 months of receipt by the Secretary for War Pensions.	95%	95%	95%
Appeals will be heard within 3 months of receipt by the War Pensions Appeal Board.	95%	95%	95%
Provide Ex-Service Memorial Plaques and Headstones for Eligible Veterans			
Ex-service memorials will be factually correct, meet technical specifications as contracted and be correctly installed.	99.5%	99.5%	99.5%
Decisions on eligibility for an ex-service memorials will be made within legislative parameters.	meet	meet	meet
Where correct documentation has been supplied with the application an ex-Service memorials will be manufactured and installed within 4 months of receipt of the order.	75%	75%	75%
Provide Case Management			
New referrals to case management will be assigned a case manager within 5 working days.	95%	95%	95%
Active cases will be contacted every 4 months (in the range 1 to 4 months) to monitor progress and effectiveness of the interventions put in place.	100%	100%	100%
The intervention packages that are put in place by case management will meet the identified need of the veteran.	-	-	85%
Deal with Enquiries			
Calls will be resolved on first contact.	-	-	80%
Calls will be resolved within 5 working days.	-	-	100%
The resolution provided by the enquiry line will meet the identified need of the caller.	-	-	95%

Conditions on Use of Appropriation

Reference	Conditions
Extant Policy	Policy complies with the War Pensions Act 1954.
Technical specifications for ex-service memorials	Ex-service memorials must meet specified size, material composition and finish as per the relevant contract specifications.
Eligibility for ex-service memorials	Decision on eligibility for ex-service memorials will be made on the basis of Section 15 of the Burial and Cremation Act 1964.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
MOU signed by the Crown with the Ex-Vietnam Services Association and the RNZRSA regarding the concerns of Vietnam Veterans.	2006/07	610	202	202	202	202

Part 2.2 - Non-Departmental Output Expenses**Intended Impacts, Outcomes and Objectives**

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Veterans are acknowledged and recognised for their service and sacrifice and the community is aware of the role veterans have played and continue to play in developing New Zealand as a nation.	Development and Maintenance of Services Cemeteries Support for Veterans and their Families
Working in partnership with the NZDF, the impacts of service on eligible veterans and their dependants are monitored and they have information about and access to services and supports that promote wellbeing.	Support for Veterans and their Families

Development and Maintenance of Services Cemeteries (M75)*Scope of Appropriation*

The purchase of the development and maintenance of Services Cemeteries.

Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	746	746	746

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Develop and Maintain Services Cemeteries			
Works carried out under contract will comply with agreed contract standards.	90%	90%	90%
Services Cemeteries will be maintained to specified standards.	100%	100%	100%
Works in Services Cemeteries will be managed in accordance with an agreed annual programme.	meet	meet	meet
Service Cemeteries will be maintained to the satisfaction of Local Authorities, the RSA and veterans' representative organisations.	meet	meet	meet

Conditions on Use of Appropriation

Reference	Conditions
Standards for Services Cemeteries	These define the maintenance standards for service cemeteries that Local Authorities need to meet in order to receive maintenance grants.
Works in Services Cemeteries	All work funded under this appropriation is contracted with specifications around the work to be undertaken.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Additional annual maintenance grant paid for the routine upkeep of Services Cemeteries	2003/04	512	512	512	512	512

Support for Veterans and Their Families (M75)

Scope of Appropriation

This appropriation is limited to providing 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; additional support for veterans to facilitate them remaining in their own homes for as long as possible; additional support to facilitate veterans' rehabilitation; support for the surviving partner after the death of the veteran and for the provision of grants to Non-Government Organisations for the support of veterans and their families.

Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,577	1,577	1,877

Reasons for Change in Appropriation

This appropriation will increase by \$300,000 for 2009/10. This increase mainly reflects the additional support that will be provided to the Veterans' Homes in 2009/10.

Output Performance Measures and Standards

Performance Measures	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Support for Veterans and Their Families			
The services provided will be to the satisfaction of the veteran and/or the veteran's family.	meet	meet	meet
Works carried out under contract will comply with agreed contract standards.	95%	95%	95%

Conditions on Use of Appropriation

Reference	Conditions
Services	All interventions are contracted with specifications around the work to be undertaken.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
Additional services to veterans and their families.	2005/06	475	475	475	475	475
A grant to the RNZRSA to support the RNZRSA in furthering its mission.	2008/09	250	250	250	250	-
Additional Funding for the three Veterans' Homes.	2009/10	-	600	-	-	-

Part 3 - Details for Benefits and Other Unrequited Expenses

Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Working in partnership with NZDF, the impacts of service on eligible veterans and their dependants are monitored and they have information about and access to services and supports that promote wellbeing.	Medical Treatment Support for Veterans and their Families War Disablement Pensions

Interest Concessions Land and Buildings (M75)

Scope of Appropriation

This appropriation is limited to provision for grandparented loans of the differential between the 3% or 5% Rehabilitation Loan rate and the current market rate as set out in the Rehabilitation Act 1941.

Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	46	36	10

Reasons for Change in Appropriation

This appropriation will decrease by \$36,000 due to the lower current market rates forecast for 2009/10, and due to a decrease in the value of the outstanding loans.

Medical Treatment (M75)

Scope of Appropriation

This appropriation is limited to the payment of assessment costs as set out in the War Pensions Regulations 1956 for War Disablement Pension applications and reviews, medical treatment costs for accepted service-related disabilities, and the costs of appliances and aids required as a result of an accepted disability.

Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	22,476	21,578	21,309

Reasons for Change in Appropriation

The 2008/09 budget includes an increase of \$898,000 to reduce the likelihood of an overspend. This increase is not included in 2009/10, accounting for the decrease in expenditure between 2008/09 and 2009/10.

War Disablement Pensions (M75)*Scope of Appropriation*

This appropriation is limited to the payment of War Disablement Pensions to ex-service people who have a disability attributable to, or aggravated by, service in a declared war or emergency at any time, or in routine service prior to 1 April 1974 as set out in the War Pensions Act 1954, the payment of Surviving Spouse Pensions as set out in the War Pensions Act 1954 and the payment of allowances as set out in the War Pensions Act 1954 and the War Pensions Regulations 1956.

Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	144,059	143,307	149,820

Conditions on Use of Appropriation

This increase is owing to indexation of payment rates and the increase in average disability levels more than offsetting the fall in the number of recipients.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Debt Write-down for Benefits and Other Unrequited Expenses (BOUE) (M75)

Scope of Appropriation

This appropriation is limited to the write-down of Crown debtors administered by the New Zealand Defence Force due to the requirement to comply with Crown accounting policies and generally accepted accounting principles (GAAP).

Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	250	250	250

Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75)

Scope of Appropriation

This appropriation is limited to the ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions and for the annual comprehensive medical assessments for Vietnam Veterans.

Expenses

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	800	800	2,000

Reasons for Change in Appropriation

This appropriation will increase by \$1.200 million for 2009/10. The increase mainly relates to the Government policy decision to provide Vietnam Veterans with an annual comprehensive medical assessment.

Expected Results

	2008/09		2009/10
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Provision of annual medical checks for Vietnam Veterans.	-	-	Up to 2000
Number of ex-gratia payments likely to be made to Vietnam Veterans and/or members of their family with accepted conditions.	39	78	Up to 13

Conditions on Use of Appropriation

Reference	Conditions
Accepted Conditions	A condition on the Institute of Medicine of the United States National Academy of Sciences 'Sufficient Evidence of Association' list, or one of five conditions accepted as being related to parental dioxin exposure.
Comprehensive Medical Assessments	An assessment of the impact of service and exposure to a toxic environment on Vietnam Veterans.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2008/09 Budgeted \$000	2009/10 Budget \$000	2010/11 Estimated \$000	2011/12 Estimated \$000	2012/13 Estimated \$000
MOU signed by the Crown with the Ex-Vietnam Services Association and the RNZRSA regarding the concerns of Vietnam Veterans.	2006/07	800	1,000	700	400	300
Annual comprehensive medical assessments for Vietnam Veterans.	2009/10	-	1,000	1,000	1,000	1,000