

The Treasury

Budget 2013 Information Release

Release Document

July 2013

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
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- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [10] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [11] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [12] Not in scope
- [13] 7(b) - to prevent prejudice to relations between any of the Governments of New Zealand, the Cook Islands or Niue
- [14] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



15 APR 2013

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Budget 2013: Vote Veterans' Affairs - Defence Force Technical Initiatives

On 8 April 2013, Cabinet:

- 1 **approved** the technical initiatives for the above Vote for inclusion in the 2013 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
7755	Small Increase To Special Annuities Appropriation To Cover Funding Shortfall	0.004	-	-	-	-
Total Operating		0.004	-	-	-	-

- 2 **agreed** to establish new appropriations where required to implement these technical initiatives, as described in the attached initiative documents;
- 3 **approved** the changes to appropriations to implement the technical initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the technical initiatives, as set out in the attached initiative documents;
- 5 **agreed** that the changes to appropriations for 2012/13 above be included in the 2012/13 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 6 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2012/13 Supplementary Estimates, the 2013/14 Estimates and the fiscal forecasts;
- 7 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;

- 8 **noted** that all communications relating to the 2013 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.



Secretary of the Cabinet

Reference: CAB (13) 178

Initiative No: 7840

Vote: Veterans' Affairs - Defence Force

Title: Integration Of Vote Veterans' Affairs With Vote Defence Force

Description: A technical initiative to enhance Veterans' Affairs New Zealand functions.

Appropriation changes

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	(154.014)	(152.665)	(152.565)	(146.296)
Total	-	(154.014)	(152.665)	(152.565)	(146.296)

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Departmental Output Expenses:					
Policy Advice and Related Outputs (Multi-class output appropriation)					
Administration Services (funded by revenue Crown)	-	(4.625)	(2.270)	(2.238)	(2.240)
Policy Advice (funded by revenue Crown)	-	(0.220)	(0.220)	(0.220)	(0.220)
Services and Payments to Veterans (funded by revenue Crown)	-	(6.292)	(6.292)	(6.557)	(6.472)
Non-Departmental Output Expenses:					
Development and Maintenance of Services Cemeteries	-	(0.746)	(0.746)	(0.746)	(0.746)
Support for Veterans and Their Families	-	(2.327)	(2.327)	(2.327)	(2.327)
Benefits and Other Unrequited Expenses:					
Interest Concessions Land and Buildings	-	(0.002)	(0.001)	(0.001)	(0.001)
Medical Treatment	-	(20.165)	(20.250)	(20.296)	(20.110)
Special Annuities	-	(0.041)	(0.042)	(0.043)	(0.043)

Initiative No: 7840

War Disablement Pensions	-	(119.346)	(120.267)	(119.887)	(113.887)
Non-Departmental Other Expenses:					
Debt Write-down for Benefits and Other Unrequited Expenses (BOUE)	-	(0.250)	(0.250)	(0.250)	(0.250)
Total Operating	-	(154.014)	(152.665)	(152.565)	(146.296)
Total Capital	-	-	-	-	-

Additional recommendations

- 9 **noted** that combining Vote Defence Force and Vote Veterans' Affairs - Defence Force will achieve more efficient and effective management of outputs whilst still retaining separate Ministerial authority and flexibility;
- 10 **agreed** to the new Vote structure for annual appropriations for Vote Defence Force effective from 1 July 2013 [see CAB Min (13) 11/2(8)];
- 11 **noted** that changes to Vote structures are fiscally neutral, with no impact on the operating balance;
- 12 **noted** the Minister of Veterans' Affairs will remain the Minister responsible for the former Vote Veterans' Affairs - Defence Force appropriations established within Vote Defence Force;
- 13 **noted** that the combining of Vote Defence Force and Vote Veterans' Affairs - Defence Force has no impact on Vote Veterans' Affairs - Social Development where the Minister of Veterans' Affairs remains responsible for this appropriation within the current administering department, the Ministry of Social Development;

Initiative No: 7755

Vote: Veterans' Affairs - Defence Force

Title: Small Increase To Special Annuities Appropriation To Cover Funding Shortfall

Description: This initiative provides for [3] Special Annuity to be paid at the gross rather than the net of tax rate. It also provides for a five per cent increase to War Disablement and Surviving Spouse Pension's. The two Special Annuities need to be paid at the higher rate from 1 April 2013.

Appropriation changes

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Operating Balance Impact	0.004	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.004	-	-	-	-

	\$m - increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
Benefits and Other Unrequited Expenses:					
Special Annuities	0.004	-	-	-	-
Total Operating	0.004	-	-	-	-
Total Capital	-	-	-	-	-

Additional recommendation

14 **agreed** to increase expenditure to provide for the following changes to Special Annuities with a corresponding impact on the operating balance:

- 14.1 one Special Annuity recipient to be paid the equivalent gross Veteran's Pension;
- 14.2 two other Special Annuity recipients to receive a five per cent increase in their respective equivalent War Disablement Pension and Surviving Spouse Pension.