

The Treasury

Budget 2011 Information Release

Release Document

June 2011

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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] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [2] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
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- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [8] 9(2)(h) - to maintain legal professional privilege
- [9] 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
- [10] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [11] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice.

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 [8] appearing where information has been withheld in a release document refers to section 9(2)(h).

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



Office of Hon Judith Collins

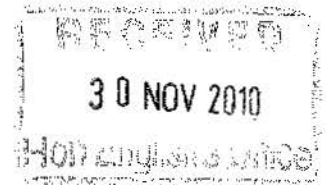
MP for Papakura

Minister of Police

(includes responsibility for Serious Fraud Office)

Minister of Corrections

Minister of Veterans' Affairs



30 NOV 2010

Ref No: MAN 4/3

Minister of Finance
Hon Bill English
Parliament Buildings

Four-year Budget Plans – Votes Veterans' Affairs

The 2011 Budget process, advised by Treasury in Treasury Circular 2010/13, invited Ministers to submit Four – year Budget Plans for each Vote.

Please find enclosed the Four – year Budget Plans for Vote Veterans' Affairs – Defence Force and Vote Veterans' Affairs – Social Development.

The Four – year Budget Plans for these Votes includes^[2]

Yours sincerely



Hon Judith Collins
Minister of Veterans' Affairs



Vote Veterans' Affairs-Defence Force

Four-year Budget Plan

Version [1]

1 December 2010

Submitted by:

Veterans' Affairs New Zealand

Section 1: New Baseline and Summary of Changes

Direction of Change

The priority for Vote Veterans' Affairs – Defence Force over the four year forecast is to adapt to the changing demographic within the veteran population. This involves modernising the War Pensions Act 1954 so that it recognises the service of the ageing World War II veteran population, and so that veterans of modern day deployments have a scheme that provides for rehabilitation and does not create long term dependency. This will lead to changes in the way services are delivered by Veterans' Affairs New Zealand. The focus of these changes is the provision of services to the veteran community that both meets their needs and recognises their service.

[2]

The four year forecast period covers the commencement of the centenary of World War 1 and a number of other significant commemorations. While the majority of this activity can be funded from within baselines, the 100th Anniversary of the Gallipoli Landings in 2015 will require additional funding. The amount of funding required will be dependent on the size and makeup of any official delegation.

Overall Impact

Operating	Impact (\$000s)				
	2010/11	2011/12	2012/13	2013/14	2014/15
Current Baseline	12,400	12,100	11,850	11,850	11,850
Current Baseline (BOUE)	158,662	158,893	158,353	157,210	155,572
Cost of new/increased activities	xxx	[2]			
Cost of new/increased activities (BOUE)	xxx				

Note:

- 93% of the operating funding for Vote Veterans' Affairs – Defence Force is demand driven Non Departmental Benefit and Unrequited Expenses (BOUE) appropriation related to the payment of War Disablement Pensions and their concessions and allowances.

Section 2: Vote Priorities and Pressures

Over the next four years the Vote priorities are to:

- Develop a modern piece of veterans' legislation in response to the Law Commission report into the War Pensions Act 1954.
- Continue improvements to service delivery and strengthen communication between the veteran community and Veterans' Affairs New Zealand.
- Manage the Government participation in the provision of commemorative events for significant commemorations: the Gallipoli Landings; the Battle of Passchendaele; and the Korean War Armistice. The forecast period also covers the commencement of the centenary of World War I.

These priorities link to the Government's key priority of improving the quality of public services. The services provided to veterans support the Government's stated intent underpinning policy related to veterans of 'Respecting Veterans, Honouring Service'. This is substantiated by the broader principles of:

- Respecting Veterans
- Strengthening Communities
- Dignity for Older New Zealanders

All of the priorities within the Vote have equal value.

The demographic in the veteran population is changing. It is estimated that by the end of the forecast period veterans of deployments post 1974 will be the largest cohort in the veteran population. To ensure that the structures are in place to meet the needs of this new generation of veterans legislation needs modernisation.

This change in demographic will also require a change in the way Veterans' Affairs New Zealand communicates with veterans and delivers services.

Significant commemorations are not only a critical form of recognition for the veteran community, they are an important part of our on going defence and diplomatic relationships.

The main underlying social variable incorporated in the forecasts is demographic change. The impact of this demographic change is built into the forecasting of expenditure and is closely monitored on a monthly basis. The Consumers Price Index affects War Disablement Pensions average rate calculations and are also built into the forecasting of expenditure.

The majority of the appropriations under this Vote are demand driven Non Departmental Benefit and Unrequited Expenses (BOUE) appropriations. Operational funding is closely monitored to ensure that the fiscal pressures on departmental appropriations are managed.

It is not expected that fiscal pressures will have any adverse impact on output performance.

Section 3: Proposed Changes for Budget 2011 (Reprioritisation)

Neither of these initiatives can be met by reprioritising within baselines.

[2]

Section 4: Summary of Financial Movements

Four-Year Budget Plan - Financial Summary Report (Operating - Including Operating Associated with Capital Initiatives 2011)

Vote:	Veterans' Affairs - Defence Force	2010/11	2011/12	2012/13	2013/14	2014/15
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Share Allocation		0	0	0	0	0
Operating						
Baseline (2010/11 OBU)		171,079	170,693	169,803	168,660	167,022
Changes:						
Centralised Saving						
Total Centralised Saving		0	0	0	0	0
Reprioritisation						
	[2]	0				[2]
		0				
		0				
Total Reprioritisation		0				
Transfers Outside Vote						
Total Transfers Outside Vote		0	0	0	0	0
Total Changes		0				[2]
Total Proposed Operating Baseline		171,079				

Four-Year Budget Plan - Financial Summary Report (Capital 2011)

Vote:	Veterans' Affairs - Defence Force	2010/11	2011/12	2012/13	2013/14	2014/15
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Capital						
Baseline (2010/11 OBU)		0	0	0	0	0
Proposals for new Capital Funding						
Refurbish/Replace						
Total Refurbish/Replace		0	0	0	0	0
Improve Functionality						
Total Improve Functionality		0	0	0	0	0
Meet Demand						
Total Meet Demand		0	0	0	0	0
Capital Associated with Operating Initiatives						
Total Capital Associated with Operating Initiatives		0	0	0	0	0
Total Capital Proposals		0	0	0	0	0
Total Proposed Capital Baseline		0	0	0	0	0

