

Information Supporting the Supplementary Estimates

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 1.3 - Trends in the Vote

Summary of Financial Activity

	2009/10				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	11,000	(50)	-	(50)	10,950
Benefits and Other Unrequited Expenses	171,139	N/A	(10,166)	(10,166)	160,973
Borrowing Expenses	-	-	-	-	-
Other Expenses	2,250	-	-	-	2,250
Capital Expenditure	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	184,389	(50)	(10,166)	(10,216)	174,173
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	-	-	-

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
	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.	Policy and Administration
	Support for Veterans and their Families
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.

Reasons for Change in Appropriation

This appropriation will decrease by \$50,000 to \$2.350 million for 2009/10. This decrease relates to:

- an expense transfer (\$250,000) from 2008/09 for the Vietnam Veterans Memorandum of Understanding: Expert Panel, and
- an expense transfer (\$300,000) to 2010/11 for the Vietnam Veterans Memorandum of Understanding: Expert Panel.

Part 3 - Details for Benefits and Other Unrequited Expenses

Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

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.

Reasons for Change in Appropriation

This appropriation increased by \$14,000 to \$24,000 for 2009/10. This appropriation was increased by \$4,000 in light of higher than expected interest rates over the past year and includes an additional increase of \$10,000 to reduce the likelihood of an overspend.

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.

Reasons for Change in Appropriation

This appropriation increased by \$2.143 million to \$23.452 million for 2009/10 as a result of an aging Veteran population and the increasing cost of their medical treatment.

Special Annuities (M75)

Scope of Appropriation

This appropriation is limited to paying annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand Society.

Expenses

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	28	28

Reasons for Change in Appropriation

This appropriation increased by \$28,000 to \$28,000 for 2009/10 as a result of the New Zealand Defence Force assuming responsibility from the Ministry of Social Development for the payment of Special Annuities with effect from 1 February 2010. This transfer from Vote Social Development to Vote Veterans' Affairs - Defence Force was agreed by Joint Ministers subsequent to the publication of the Budget 2009 Estimates of Appropriations. The amount transferred is \$18,000. An additional \$10,000 is included in the 2009/10 year to reduce the likelihood of an overspend.

Conditions on Use of Appropriation

Reference	Conditions
Special Annuities payments are made under the authority of Cabinet.	Special Annuities are awards made by Government and are not covered by legislation. Annual Government approval is needed for their continued payment. Special Annuities are non-taxable.

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.

Reasons for Change in Appropriation

This appropriation decreased by \$12.351 million to \$137.469 million for 2009/10 and is the result of a downward revision in the average payment rates and a steeper than expected reduction in the number of recipients.