



Headquarters
New Zealand Defence Force
Defence House
Private Bag 39997
Wellington Mail Centre
Lower Hutt 5045
New Zealand

OIA-2026-5798

3rd June 2026

Dear [REDACTED]

I refer to your request of 6 May 2026, under the Official Information Act 1982 (OIA) for information regarding what appears to be a Treasury response (your reference 20260163). You stated the following:

Treasury's released material confirms that NZDF provided liability estimates indicating the Veterans' Support Entitlement Liability could increase from approximately \$2.905 billion to between \$5.156 billion and \$7.292 billion following a court ruling affecting interpretation of the legislation.

I request the following information under the Official Information Act 1982.

1. *Any actuarial valuations, forecasts, or modelling estimating:*
 - *the current Veterans' Support Entitlement Liability;*
 - *projected future liability;*
 - *or liability sensitivity ranges**prepared from 2020 to present.*
2. *Any actuarial assumptions, demographic assumptions, or eligibility assumptions used in modelling relating to:*
 - *operational service eligibility;*
 - *non-operational service personnel;*
 - *qualifying operational service interpretation;*
 - *future claimant growth;*
 - *mortality assumptions;*
 - *healthcare utilisation assumptions;*
 - *or inflation assumptions.*
3. *Any scenario modelling assessing the fiscal or liability implications of:*
 - *judicial decisions;*
 - *appeals;*
 - *legislative amendment options;*
 - *or widening eligibility interpretations under the Veterans' Support Act 2014.*
4. *Any modelling or analysis estimating:*
 - *the current veteran population;*
 - *future veteran population projections;*
 - *or numbers potentially affected by revised interpretation of eligibility criteria.*
5. *Any communications, reports, or advice exchanged between:*
 - *NZDF;*
 - *Veterans' Affairs;*
 - *Treasury;*
 - *Crown Law;*

- or Ministers relating to the liability estimates referenced in Treasury document Ref: 20260163.
6. Any internal explanation of how the liability estimate range of approximately:
 - \$5.156 billion to \$7.292 billion was calculated.
 7. Any briefing papers or Ministerial advice discussing:
 - future affordability pressures;
 - deployment implications;
 - funding pressures;
 - or policy options arising from increased entitlement liabilities.

With respect to the increase in liability, enclosed is a copy of a briefing to the Minister for Veterans, dated 4 August 2025, which provided an explanation to the Minister that the Veterans' Entitlements Appeal Board's decision had increased the amount of the Crown's financial obligations to eligible veterans resulting in a between-Budget increase in Crown liability. A signature is withheld in accordance with section 9(2)(k) to avoid the malicious use of staff information.

As previously noted in the response of 13 May 2026 (ref. OIA-2026-5722), decisions in response to the outcome of an appeal to the Veterans' Entitlements Appeal Board and a related High Court judgment have not yet been made and this remains a matter under active consideration. Related information, including actuarial valuations, modelling and other assessments you have requested, is therefore withheld in accordance with section 9(2)(f)(iv) of the OIA to protect the confidentiality of advice tendered by Ministers of the Crown and government officials.

With respect to modelling or other analyses *preceding* the aforementioned appeal and High Court judgment, in addition to advice previously provided the veterans' liability is revalued annually through an external actuarial valuer - currently PricewaterhouseCoopers Consulting New Zealand (PwC). The material information supporting past valuations is summarised within previous versions of the New Zealand Defence Force (NZDF) Annual Report. Annual reports are publically available on the NZDF website. The direct advice provided by PwC is withheld in accordance with section 9(2)(ba)(i) of the OIA as this remains the intellectual property of PwC.

You have the right, under section 28(3) of the OIA, to ask an Ombudsman to review this response to your request. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that responses to official information requests are proactively released where possible. This response to your request will be published shortly on the NZDF website, with your personal information removed.

Yours sincerely

GA Motley
Brigadier
Chief of Staff HQNZDF

Enclosure:

1. NTM 2025-207



Headquarters NZDF
Defence House
Private Bag 39997
Wellington Mail Centre
Wellington 5045
NEW ZEALAND



NTM 2025-207

4 Aug
July 2025

Minister for Veterans

BREACH OF VOTE DEFENCE FORCE APPROPRIATIONS – VETERANS' AFFAIRS

Purpose

1. The purpose of this Note is to advise you of a technical breach against Vote Defence Force: Non-Departmental other Expenses Service Cost – Veterans' Entitlement appropriation.

Background

2. In 2021, a Vietnam veteran appealed to the Veterans' Entitlement Appeal Board (VEAB) following a decision of Veterans' Affairs (VA) not to accept his condition of glioblastoma as service-related under section 14 of the Veterans' Support Act 2014 (VSA) (involving Statement of Principles). The VEAB issued a majority decision in the veteran's favour (NTM 2024-367 / BRI-016 refers).
3. VA appealed the decision to the High Court which allowed the VA appeal and referred the case back to the VEAB for reconsideration and decision. The VEAB reconsidered the claim and ratified their original decision.
4. This decision, which took effect on 18 November 2024, has increased the amount of the Crown's financial obligations to eligible veterans. While no expenditure actually took place beyond that already authorised, this between-Budget increase in Crown liability means that the New Zealand Defence Force (NZDF) was in breach of appropriation through to 26 March 2025 when an uplift in the appropriation was approved by Cabinet's Social Outcomes Committee [SOU-25-MIN-0025 refers].
5. The General Manager of Veterans' Affairs New Zealand, authorised by the Chief of Defence Force and through Crown Law, lodged an appeal against the decision of the VEAB on matters of law. The appeal is still before the Courts.

Fiscal Implications

6. Independent actuaries modelled the fiscal impact of the VEAB decision in line with the assumptions agreed with VA and revalued the veteran's entitlements liability at \$6.127 billion representing an increase to the liability of \$3.215 billion.
7. The NZDF could not absorb this increase of \$3.215 billion within the existing baseline for the Service Cost – Veterans' Entitlements appropriation. The appropriation was only funded up to \$12 million and an uplift to the FY2025 appropriation of \$3.215 billion was required.

Unappropriated Expenditure

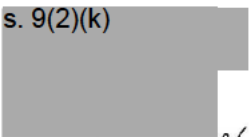
8. Vote Defence Force was in breach of appropriation from November 2024 until the increase in appropriation was approved by Cabinet [SOU-25-MIN-0025 refers].

9. As a result, Parliamentary validation of expenses without appropriation must be sought for the period prior to 26 March 2025. This will be completed through a Section 26(C) of the Public Finance Act (PFA) disclosure. The NZDF will also include a disclosure in its annual report for the period ended 30 June 2025, relating to the unappropriated expenditure.

Recommendations

10. It is recommended that the Minister:

- a. **Note** that decisions of the High Court in July 2023 and the VEAB in October 2024 have significant fiscal implications for Veterans' Affairs and for the Crown. NOTED
- b. **Note** that the NZDF, through Crown Law, has lodged an appeal against the decision of the VEAB. NOTED
- c. **Note** that the value of the liability to be recognised as a consequence of the VEAB's decision was \$6.127 billion. This was an increase of \$3.215 billion in the liability from its 30 June 2024 value. NOTED
- d. **Note** that the increase in expenditure could not be absorbed within the existing Service Cost – Veterans' Entitlements appropriation, and that Vote Defence Force was in breach of appropriation from 18 November 2024 until the uplift to appropriations was approved by Cabinet on 26 March. NOTED
- e. **Note** that the NZDF will include a disclosure in its Financial Year 2024/25 annual report relating to the appropriation breaches, and make a Section 26(C) disclosure in accordance with the Public Finance Act. NOTED

s. 9(2)(k)


fr **T DAVIES** *OGS*
Air Marshal
Chief of Defence Force



HON CHRIS PENK
Minister for Veterans

13 AUG 2025