



# Cabinet Legislation Committee

## Minute of Decision

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### Veterans Support Amendment Regulations 2019

Portfolio                      Veterans

On 19 February 2019, the Cabinet Legislation Committee:

- 1        **noted** that the Minister of Finance and Minister for Veterans have approved the new rates for the Veteran's Pension and the Decorations Allowance;
- 2        **noted** that, if approved, the Veterans' Support Amendment Regulations 2019 will:
  - 2.1      increase the rates of the Veteran's Pension to reflect the 1.69 percent increase in the Consumers Price Index (All Groups excluding cigarettes and other tobacco products) for the year to 31 December 2018 and by adding a further 0.86 percent to keep the government's commitment that the net relationship rate of Veteran's Pension will not fall below 66 percent of the net average wage; and
  - 2.2      increase the rate of the Decorations Allowance to reflect the 1.69 percent increase in the Consumers Price Index (All Groups excluding cigarettes and other tobacco products) for the year to 31 December 2018;
- 3        **noted** that the Veterans' Support Amendment Regulations 2019 will come into force on 1 April 2019, thus complying with the 28-day rule;
- 4        **authorised** the submission of the Veterans' Support Amendment Regulations 2019 [PCO 21925/2.0] to the Executive Council;
- 5        s. 9(2)(f)(iv) [REDACTED]

Gerrard Carter  
Committee Secretary

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**Present:**

Hon Chris Hipkins (Chair)  
Hon Andrew Little  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Stuart Nash  
Hon Iain Lees-Galloway  
Hon Tracey Martin  
Hon Ron Mark  
Hon Kris Faafoi

**Officials present from:**

Officials Committee for LEG

**Hard-copy distribution:**

Minister for Veterans

Proactively Released by the Minister for Veterans

Office of the Minister for Veterans

Chair, Cabinet Legislation Committee

## **VETERANS' SUPPORT AMENDMENT REGULATIONS 2019**

### **Proposal**

1. This paper seeks agreement that the Cabinet Legislation Committee approve submitting the Veterans' Support Amendment Regulations 2019 to the Executive Council.

### **Policy**

2. The Amendment Regulations will, from 1 April 2019, increase the rates of the Veteran's Pension and the rate of the Decorations Allowance to reflect the increase in the Consumers Price Index (CPI) for the year to 31 December 2018.

3. Adjusting these entitlements to reflect the increase in the CPI ensures that their real value does not decrease over time. The CPI figure to be used in adjusting these entitlements is the CPI (All Groups excluding cigarettes and other tobacco products). This is in accordance with Cabinet's decision that the tobacco excise tax will be excluded from CPI-based adjustments until the end of 2021 [CAB-16-Min-0189 refers].

4. In 2002, Cabinet delegated authority to the Minister of Finance and the Minister for Veterans to jointly approve the adjustments of pensions, allowances and income limits where adjustments are being made on the basis of CPI movements [CAB Min (02) 7/1A refers]. The Minister of Finance and the Minister for Veterans have approved the new rates for the Veteran's Pension and the Decorations Allowance.

### **Veteran's Pension**

5. In addition to adjusting the Veteran's Pension for increases in the CPI, the Veterans' Support Act 2014 requires that the net relationship rate of the Veteran's Pension must not be less than 65% or more than 72.5% of the net average wage. The Government has also made a commitment that the net married couple rate of New Zealand Superannuation and the net relationship rate of the Veteran's Pension will not fall below 66% of the net average wage [CAB Min (09) 13/8 (44) refers].

6. After adjusting the net relationship rate of the Veteran's Pension to account for the increase in the CPI, the rate will be 65.44% of the net average wage for the December quarter 2018. Consequently, a further adjustment is required to bring the net relationship rate of the Veteran's Pension up to 66% of the net average wage. This requires a further increment of 0.86% to yield a combined increase of 2.57%.

7. This combined increase means that the net relationship rate of the Veteran's Pension will increase to \$632.54 (a \$15.82 per week increase) in tandem with the net married couple rate of New Zealand Superannuation. The single living alone and single sharing rates of the Veteran's Pension will be set at 65% and 60% of this figure respectively, again in tandem with the single rates of New Zealand Superannuation.

8. Section 170 of the Veterans' Support Act 2014 requires that the rates are reviewed prior to 1 April each year, and any resulting adjustments must be made as at 1 April each year by regulations.

### **Decorations Allowance**

9. Section 29A of the repealed War Pensions Act 1954 and Part 5A of the repealed War Pensions Regulations 1956 continue in force for those receiving entitlements under those provisions prior to the introduction of the Veterans' Support Act 2014, including the Decorations Allowance. The provision of the entitlement continues in clause 2 of Schedule 1 of the Veterans' Support Act.

10. The Decorations Allowance is not required to be adjusted at 1 April; however, as this is the annual date at which other indexation occurs, it is desirable to achieve consistency across all adjustments to veterans' entitlements.

11. Adjustment to the rate of the Decorations Allowance by 1.69% from \$32.07 per week to \$32.61 will be achieved by Amendment Regulations which will come into effect on 1 April 2019.

### **Timing and 28-Day Rule**

12. It is proposed that Cabinet refer the Amendment Regulations to the Executive Council on 25 February 2019. Following this, the instruments will be gazetted and will come into effect on 1 April 2019 thus complying with the 28-day rule.

### **Compliance**

13. The Amendment Regulations comply with the following:

- a. the principles of the Treaty of Waitangi;
- b. the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
- c. the principles and guidelines set out in the Privacy Act 1993;
- d. relevant international standards and obligations; and
- e. the Legislation Guidelines (2018 edition), which are maintained by the Legislation Design and Advisory Committee.

14. The increase in the rates of the Veteran's Pension and the Decorations Allowance complies with these guidelines. Authority for the Amendment Regulations is provided by sections 170 and 265 and clause 2 of Schedule 1 of the Veterans' Support Act 2014 and sections 29A and 96 of the War Pensions Act 1954.

### **Regulations Review Committee**

15. There are no grounds for the Regulations Review Committee to draw the Amendment Regulations to the attention of the House under Standing Order 319.

### **Certification by Parliamentary Counsel**

16. The Veterans' Support Amendment Regulations 2019 have been certified by Parliamentary Counsel.

### **Impact Analysis**

17. Neither a Regulatory Impact Statement nor a Business Compliance Cost Statement is required as the Veterans' Support Amendment Regulations 2019 fall within the exemption for proposals of a machinery nature which do not substantially alter existing arrangements.

### **Publicity**

18. Veterans' Affairs will publish the new rates of the Veteran's Pension and the Decorations Allowance on its website.

19. Updates to pamphlets containing information about the Veteran's Pension are being made by the Ministry of Social Development.

### **Proactive Release**

20. I intend to release this paper in full.

### **Consultation**

21. The Ministry of Social Development and the Treasury have been consulted in the preparation of these Amendment Regulations.

### **Recommendations**

22. I recommend that the Cabinet Legislation Committee:

1. **Note** that the Minister of Finance and Minister for Veterans have approved the new rates for the Veteran's Pension and the Decorations Allowance.
2. **Note** that, if approved, the Veterans' Support Amendment Regulations 2019 will:
  - 2.1 increase the rates of the Veteran's Pension to reflect the 1.69% increase in the Consumers Price Index (All Groups excluding cigarettes and other tobacco products) for the year to 31 December 2018 and by adding a further 0.86% to keep the Government's commitment that the net relationship rate of Veteran's Pension will not fall below 66% of the net average wage; and
  - 2.2 increase the rate of the Decorations Allowance to reflect the 1.69% increase in the Consumers Price Index (All Groups excluding cigarettes and other tobacco products) for the year to 31 December 2018.

3. **Note** that, if approved, the Veterans' Support Amendment Regulations 2019 will come into force on 1 April 2019, thus complying with the 28-day rule.
4. **Authorise** submitting to the Executive Council the Veterans' Support Amendment Regulations 2019.

Authorised for lodgement

Hon Ron Mark  
Minister for Veterans

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