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

	2008/09				
		Supplementary Estimates			
	Estimates $000	Departmental Transactions $000	Non-Departmental Transactions $000	Total Transactions $000	Total $000
Appropriations					
Output Expenses	6,714	3,841	(450)	3,391	10,105
Benefits and Other Unrequited Expenses	-	N/A	166,581	166,581	166,581
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	1,050	1,050	1,050
Capital Expenditure	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	6,714	3,841	167,181	171,022	177,736
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 increase by $600,000 for 2008/09 to $2.269 million.

The increases recognises:

- new funding of $1.150 million to complete a review of services
- new funding of $250,000 associated with the Vietnam Veterans Memorandum of Understanding
- transfer of $500,000 to provide for Ex-Gratia payments, and
- transfer of $300,000 to provide for Support for Veterans and Their Families.

Services and Payments to Veterans (M75)

Scope of Appropriation

This appropriation is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions and allowances, Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.

Expenses and Revenue

	2008/09		
	Estimates $000	Supplementary Estimates $000	Total $000
Total Appropriation	-	5,513	5,513
Revenue from Crown	-	5,036	5,036
Revenue from Other	-	477	477

Reasons for Change in Appropriation

This new appropriation of $5.513 million is funded from:

- transfers of $2.272 million from the Services to Veterans appropriation as part of the relocation of the administration of the War Disablement Pension, and
- transfers of $3.241 million from Vote Veterans' Affairs - Social Development as part of the relocation of the administration of the War Disablement Pension.

Output Performance Measures and Standards

	2008/09		
Performance Measures	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assess, Review and Payment of Entitlements to War Disablement Pension			
Assessments and Reviews will be conducted against extant policy.	Meet	Meet	Meet
Assessments will be completed within 10 working days of receipt by the War Pensions Claims Panel.	95%	95%	95%
Reviews and re-openings will be completed within 3 months of receipt by the National Review Officer.	95%	95%	95%
Reviews will be completed within 3 months of receipt by the Secretary for War Pensions.	95%	95%	95%
Appeals will be heard within 3 months of receipt by the War Pensions Appeal Board.	95%	95%	95%

Performance Measures	2008/09 Estimates Standard	2008/09 Supplementary Estimates Standard	2008/09 Total Standard
Provide Ex-Service Memorial Plaques and Headstones for Eligible Veterans			
Ex-service memorials will be factually correct, meet technical specifications as contracted and be correctly installed.	99.5.%	99.5%	99.5%
Decisions on eligibility for ex-service memorials will be made within legislative parameters.	Meet	Meet	Meet
Where correct documentation is been supplied with the application an ex-Service memorials will be manufactured and installed within four months of receipt of the order.	75%	75%	75%
Provide Case Management			
New referrals to case management will be assigned a case manager within 5 working days.	95%	95%	95%
Active cases will be contacted every 4 months (in the range 1 to 4 months) to monitor progress and the effectiveness of the interventions put in place.	100%	100%	100%
Veterans and their families that are part of the case management service will be satisfied that the service delivered is appropriate to meet their needs.	85%	85%	85%

Conditions on Use of Appropriation

Reference	Conditions
Extant Policy	Complies with the War Pensions Act 1954.
Technical Specifications for an ex-service memorials	Ex-service memorials must meet specified size, material composition and finish as per the relevant contract specifications.
Eligibility for ex-service memorials	Decision on eligibility for ex-service memorials will be made on the basis of Section 15 of the Burial and Cremation Act 1964.

Services to Veterans (M75)

Scope of Appropriation

To purchase the assessment of entitlements and benefits and the provision of appropriate services. This includes the assessment and review of entitlements and benefits - War Disablement Pension, Veterans' Pension and burial in Services Cemeteries, the provision and installation of ex-service memorials for eligible veterans and the provision of case management for veterans and their families.

Expenses and Revenue

	2008/09		
	Estimates $000	Supplementary Estimates $000	Total $000
Total Appropriation	2,272	(2,272)	-
Revenue from Crown	1,795	(1,795)	-
Revenue from Other	477	(477)	-

Reasons for Change in Appropriation

This appropriation decrease of $2.272 million reflects the relocation of the administration of the War Disablement Pension, newly appropriated as Services and Payments to Veterans.

Part 2.2 - Non-Departmental Output Expenses

Support for Veterans and Their Families (M75)

Scope of Appropriation

To provide for the support of veterans and their families. This includes the provision of counselling for veterans' families, the reimbursement of out of pocket expenses for veterans' children with specified conditions and additional support for veterans to facilitate them remaining in their own homes for as long as possible.

Reasons for Change in Appropriation

This appropriation will decrease by $450,000 for 2008/09 to $1.577 million.

The decrease recognises:

- a transfer out to future years within the same appropriation of $750,000, and
- transfer of $300,000 in savings from departmental output expenses.

Part 3 - Details for Benefits and Other Unrequited Expenses

Part 3.2 - Non-Departmental Benefits and Other Unrequited 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.	Interest Concessions Land and Buildings
	Medical Treatment
	War Disablement Pensions

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.

Expenses

	2008/09		
	Estimates $000	Supplementary Estimates $000	Total $000
Total Appropriation	-	46	46

Reasons for Change in Appropriation

The New Zealand Defence Force assumed responsibility from the Ministry of Social Development for this appropriation from the 6 August 2008. This appropriation transfer from Vote Veterans' Affairs - Social Development to Vote Veterans' Affairs - Defence Force was agreed to by Cabinet subsequent to publication of the Budget 2008 Estimates of Appropriations.

Conditions on Use of Appropriation

Reference	Conditions
Interest Concessions Land and Buildings - Rehabilitation Loan rates are set in accordance with the Rehabilitation Act 1941. Payments continue under section 3 of the Rehabilitation Repeal Act 1991.	The Rehabilitation Loan Programme funds the difference between the fixed 3% or 5% interest rate, available to eligible ex-service personnel for their mortgage, and the current market rate. No further Rehabilitation Loans are available. These loans are being 'grand-parented' out of the system for all recipients current immediately prior to 1 August 1991. All current loans have a value of below $11,000.

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.

Expenses

	2008/09		
	Estimates $000	Supplementary Estimates $000	Total $000
Total Appropriation	-	22,476	22,476

Reasons for Change in Appropriation

The New Zealand Defence Force assumed responsibility from the Ministry of Social Development for this appropriation from the 6 August 2008. This appropriation transfer from Vote Veterans' Affairs - Social Development to Vote Veterans' Affairs - Defence Force was agreed to by Cabinet subsequent to publication of the Budget 2008 Estimates of Appropriations.

Compared to the 2008/09 Estimates in the Vote Veterans' Affairs- Social Development appropriation, expenditure will increase by $3.009 million, owing to a higher than anticipated expenditure of medical treatment for veterans in 2008/09.

Conditions on Use of Appropriation

Reference	Conditions
Medical treatments paid in accordance with the War Pensions Regulations 1956.	Medical Treatment is a War Disablement Pension entitlement available for disabilities found to be attributable to or aggravated by service with the armed forces prior to 1 April 1974, or as a result of service on or after 1 April 1974 in connection with a recognised war or emergency. This entitlement covers medical assessment costs and costs related to individual veteran's medical treatment, including pharmaceutical supplies, aids and appliances, and travel associated with medical appointments. Medical Treatment is paid on an ad hoc basis and is made up of three categories: Medical Treatment (excluding Australia), Australian Medical Treatment, and Aids and Appliances.

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.

Expenses

	2008/09		
	Estimates $000	Supplementary Estimates $000	Total $000
Total Appropriation	-	144,059	144,059

Reasons for Change in Appropriation

The New Zealand Defence Force assumed responsibility from the Ministry of Social Development for this appropriation from the 6 August 2008. This appropriation transfer from Vote Veterans' Affairs - Social Development to Vote Veterans' Affairs - Defence Force was agreed to by Cabinet subsequent to publication of the Budget 2008 Estimates of Appropriations.

Compared to the 2008/09 Estimates in the Vote Veterans' Affairs - Social Development appropriation, expenditure will increase by $4.745 million. This increase is owing the increase cost to finalise a higher than expected number of outstanding applications for War Disablement Pensions in 2008/09, which raised the average rate and number of recipients.

Conditions on Use of Appropriation

Reference	Conditions
War Disablement Pensions are paid in accordance with the criteria set out in the War Pensions Act 1954, the allowances set out under the War Pensions Act 1954, and the War Pensions Regulations 1956.	A War Disablement Pension may be payable to: • ex-service personnel whose disablement is attributable to, or has been aggravated by their service in a recognised war or emergency, and • routine-service personnel whose disablement was caused by, or aggravated by, Service prior to the implementation of the Accident Compensation Act (now known as Injury Prevention, Rehabilitation, and Compensation Act 2001) on 1 April 1974. A War Disablement Pension may be received on its own or in conjunction with other social assistance or income. Weekly payments range from $9.10 for a 5% disablement to $182.02 for a 100% disablement. An additional pension of up to 60% may be awarded to those already in receipt of a 100% pension in cases of severe disablement (up to a total pension payment of $320.34).Surviving Spouse Pension of $134.26 per week may be payable to surviving spouses or surviving partners of ex-service personnel or routine-service personnel in certain circumstances. This pension is paid in addition to any other social assistance or income. There is also provision to pay specific concessions and allowances to veterans with certain disabilities, and educational bursaries to children of veterans. Educational bursary payments range from $199.46 to $946.79 per child, per year.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other 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 community.	Debt-Write down for Benefits and Other Unrequited Expenses
	Ex-Gratia Payments
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.	Debt-Write down for Benefits and Other Unrequited Expenses
	Ex-Gratia Payments

Debt Write-down for Benefits and Other Unrequited Expenses (BOUE) (M75)

Scope of Appropriation

This appropriation is limited to the write-down of Crown debtors administered by the New Zealand Defence Force due to the requirement to comply with Crown accounting policies and generally accepted accounting principles (GAAP).

Expenses

	2008/09		
	Estimates $000	Supplementary Estimates $000	Total $000
Total Appropriation	-	250	250

Reasons for Change in Appropriation

The New Zealand Defence Force assumed responsibility for a variety of new Vote Veterans' Affairs - Defence Force appropriations during 2008/09. This appropriation increase of $250,000 provides for the write down, should it be required of any associated Crown debtors.

Ex-Gratia Payments (M75)

Scope of Appropriation

Provision of payments to: veterans and/or members of their family with accepted conditions; veterans for one-off medical assessments; the EVSA (Neville Wallace Memorial) Youth Development Trust and the Vietnam Veterans' and their Families Trust.

Expenses

	2008/09		
	Estimates $000	Supplementary Estimates $000	Total $000
Total Appropriation	-	800	800

Reasons for Change in Appropriation

This appropriation will increase by $800,000 for 2008/09.

The increase recognises:

- a funding transfer from 2007/08 of $300,000, and
- transfer from 2008/09 of $500,000 from departmental appropriations.

Expected Results

	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Performance Measures			
Number of ex-gratia payments made to Vietnam veterans and/or members of their family with accepted conditions.	39	39	78