

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

	2010/11				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	10,450	17	700	717	11,167
Benefits and Other Unrequited Expenses	159,672	N/A	(1,179)	(1,179)	158,493
Borrowing Expenses	-	-	-	-	-
Other Expenses	1,950	-	(700)	(700)	1,250
Capital Expenditure	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	172,072	17	(1,179)	(1,162)	170,910
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

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.

Reasons for Change in Appropriation

This appropriation will increase by \$17,000 to \$5.994 million in 2010/11 as a result of an increase in the Government Superannuation Fund contribution rate.

Part 2.2 - Non-Departmental Output Expenses

Support for Veterans and Their Families (M75)

Scope of Appropriation

This appropriation is limited to providing 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; additional support for veterans to facilitate them remaining in their own homes for as long as possible; additional support to facilitate veterans' rehabilitation; support for the surviving partner after the death of the veteran and for the provision of grants to Non-Government Organisations for the support of veterans and their families.

Reasons for Change in Appropriation

This appropriation will increase by \$700,000 to \$1.977 million in 2010/11 as a result of fiscally neutral transfers from the appropriation for Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans.

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 will increase by \$6,000 to \$15,000 for 2010/11 as a result of higher than expected interest rates applied over the past year and includes an increase of \$5,000 to allow for forecast variability in demand.

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 will decrease by \$2.628 million to \$21.689 million for 2010/11. This is a result of a consistently lower level of medical treatment spending during 2010/11 compared to the 2010 Budget.

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$8,000 to \$36,000 for 2010/11 as a result of fewer recipients throughout 2010/11 than originally projected. Partly offsetting the underlying reduction is an increase of \$5,000 to allow for forecast variability in demand.

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 will increase by \$1.451 million to \$136.753 million for 2010/11. There is a net increase of \$214,000 owing to higher spending from more than expected recipients, offset in part by a lower than anticipated indexation adjustment. This appropriation includes an amount of \$1.237 million to allow for forecast variability in demand.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75)

Scope of Appropriation

This appropriation is limited to the ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions and for the annual comprehensive medical assessments for Vietnam Veterans.

Reasons for Change in Appropriation

This appropriation will decrease by \$700,000 to \$1 million for 2010/11 to provide for fiscally neutral transfers to Support for Veterans and Their Families.