

Performance Information for Appropriations

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 1.1 - Overview of the Vote

The Minister of Veterans' Affairs is responsible for the appropriations in the Vote for the 2012/13 financial year covering the following:

- A total of under \$3 million for the provision of policy advice, the provision of administrative services to relevant boards and committees, the coordination of commemorations and the administration of contracts for work carried out in Services Cemeteries.
- A total of just over \$6 million for the assessment and review of entitlements and benefits (War Disablement Pension, Surviving Spouse 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.
- A total of under \$1 million for the development and maintenance of Services Cemeteries.
- A total of over \$2 million for the provision of services to veterans and their families, ex-gratia payments and annual medical assessments to Vietnam veterans.
- A total of over \$140 million for benefits and medical treatment to veterans and their families.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

Government Priorities and Outcomes - Links to Appropriations

Government Priorities	Government Outcomes	Appropriations
<p>One of the Government's four key priorities for its second term that impacts on Vote Veterans' Affairs - Defence Force is:</p> <ul style="list-style-type: none"> • Delivering better public services to New Zealanders within tight financial constraints. <p>The Government's 10 public service results set for the next three to five years include 'Improving interaction with Government'. The key results that impact on Vote Veterans' Affairs - Defence Force are:</p> <ul style="list-style-type: none"> • New Zealanders can complete their transactions with the Government easily in a digital environment. <p>The Government's underpinning policy related to veterans is 'Respecting Veterans, Honouring Service'. This is substantiated by the broader principles of:</p> <ul style="list-style-type: none"> • Respecting Veterans. • Strengthening Communities. • Dignity for Older New Zealanders. 	<ul style="list-style-type: none"> • 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. • Working in partnership with 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. • The veteran's perspective is considered as part of government decision-making on issues that impact on their lives. 	<p>Departmental Output Appropriations:</p> <ul style="list-style-type: none"> Administration Services Policy Advice Services and Payments to Veterans <p>Non Departmental Output Appropriations:</p> <ul style="list-style-type: none"> Development and Maintenance of Services Cemeteries Support for Veterans and Their Families <p>Benefits and Other Unrequited Expenses:</p> <ul style="list-style-type: none"> Medical Treatment War Disablement Pensions Special Annuities Interest Concessions <p>Non-Departmental Other Appropriations:</p> <ul style="list-style-type: none"> Ex-Gratia Payments Debt Write-Down for Benefits and Other Unrequited Expenses

Part 1.3 - Trends in the Vote

Summary of Financial Activity

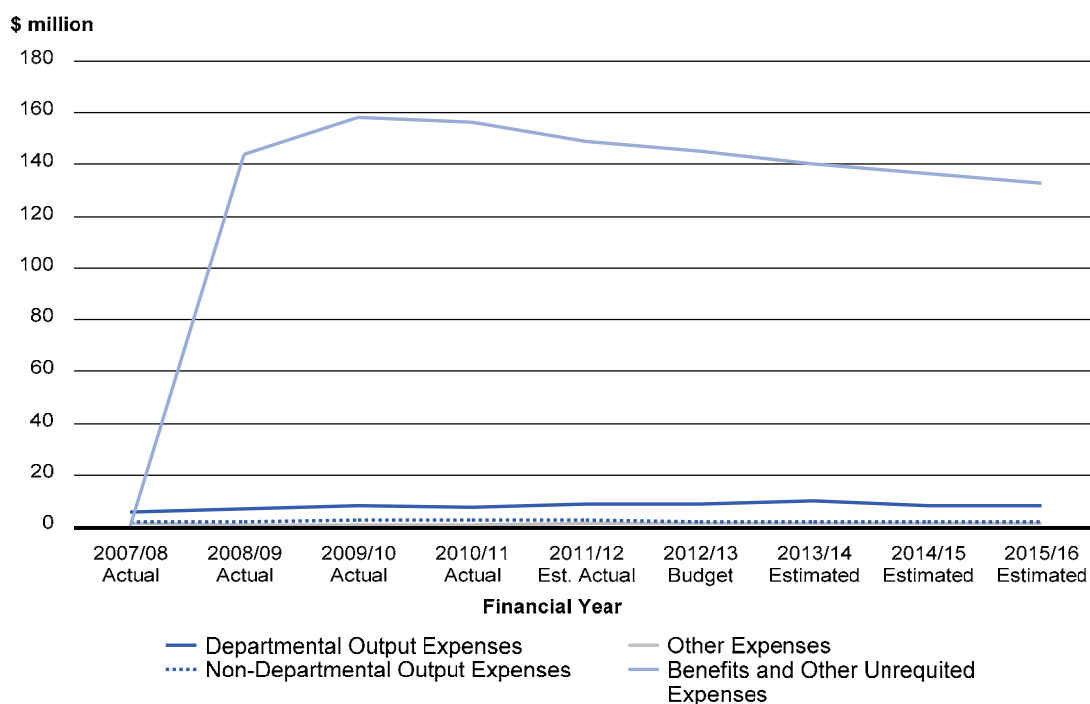
	2007/08	2008/09	2009/10	2010/11	2011/12		2012/13			2013/14	2014/15	2015/16
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	7,290	9,060	10,479	10,392	10,890	10,890	8,729	1,773	10,502	11,540	9,940	9,940
Benefits and Other Unrequited Expenses	-	144,174	158,535	156,158	151,329	148,958	N/A	145,241	145,241	140,496	136,557	132,927
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,187	613	412	351	1,450	1,450	-	1,550	1,550	1,550	1,550	1,550
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	8,477	153,847	169,426	166,901	163,669	161,298	8,729	148,564	157,293	153,586	148,047	144,417
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	-	-	-	-	-

New Policy Initiatives

Policy Initiative	Appropriation	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Increase in payment for gallantry allowances	War Disablement Pensions Benefits and Other Unrequited Expenses	50	129	118	107	97
War pension coverage for 10 additional deployments	War Disablement Pensions Benefits and Other Unrequited Expenses	-	881	957	1,104	1,352
Financial support for World War Two veterans to attend military commemorations	Policy Advice and Related Outputs MCOA Departmental	700	562	1,600	-	-

Analysis of Significant Trends

Figure 1 - Vote trends in actual expenses and capital expenditure by appropriation type



Source: New Zealand Defence Force

The appropriations in Vote Veterans' Affairs - Defence Force show the changes discussed briefly below.

The following changes are noted:

- The total increase in funding of over \$3 million in 2006/07 and 2007/08 to implement the Memorandum of Understanding (MOU) signed by the Crown, the Ex-Vietnam Services Association (EVSA) and the Royal New Zealand Returned and Services' Association (RNZRSA) regarding the concerns of Vietnam veterans. This was primarily made up of the one-off costs involved in implementing the activities related to the MOU.
- The total increase of funding of over \$144 million in 2008/09 was due to the reorganisation of Veterans' Affairs New Zealand, with the New Zealand Defence Force assuming responsibility for the payment and administration of veteran's entitlements from 1 July 2008. As a result of implementation issues relating to Information Technology and payroll, this total increase of funding was not for a full

year. An increase of over \$16 million in 2009/10 accounts for the New Zealand Defence Force assuming responsibility for the payment and administration of veterans' entitlements for a full financial year. There was also a one-off increase of \$600,000 to provide grants to the three veterans' homes and the implementation of annual medical assessments.

Comparison with 2010/11 and 2011/12

Output expenses

The increase in departmental output expenses mainly relates to financial support for World War Two veterans to attend military commemorations.

Benefits and other unrequited expenses

The decrease of \$6.088 million largely consists of the decline in the number of veterans receiving a War Disablement Pension.

Other expenses

The difference between the 2010/11 actual spend and the 2011/12 budgeted represents a 2010/11 underspend in this demand driven output.

Comparison with 2011/12 and 2012/13

For an explanation of changes to the appropriations refer to Sections 2.1, 2.2, 3.2 and 5.2.

Outyears: 2013/14- 2015/16

Benefits and other unrequited expenses

Total benefit expenditure is expected to decrease over the outyears.

Part 1.4 - Reconciliation of Changes in Appropriation Structure

2011/12 Appropriations in the 2011/12 Structure	2011/12 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2011/12 Appropriations in the 2012/13 Structure	2011/12 (Restated) \$000	2012/13 \$000
Departmental Output Expense						
Policy and Administration	2,853	Transferred to Administration Services	(2,633)	Administration Services	2,633	2,495
		Transferred to Policy Advice	(220)	Policy Advice	220	220
		Transferred from Policy and Administration	2,853			
Total Changes in Appropriations	2,853		-		2,853	2,715

A new appropriation - Policy Advice and Related Outputs (MCOA) - provides for a Cabinet requirement that departments recognise their policy advice expenditure according to a common definition.

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-6.

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 Advice
	Administration Services
	Services and Payments to Veterans
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 Advice
	Administration Services
	Services and Payments to Veterans
The veterans' perspective is considered as part of government decision-making on issues that impact on their lives.	Policy Advice
	Administration Services

Policy Advice and Related Outputs MCOA (M75)

Scope of Appropriation

<p>Administration Services</p> <p>This output class is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities, the coordination of commemorations, the provision of administration services to relevant boards and committees and the administration of contracts for service for maintenance and development work carried out in Service Cemeteries.</p> <p>Policy Advice</p> <p>This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Veterans' Affairs.</p>
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Explanation for Use of Multi-Class Output Expense Appropriation

This appropriation is limited to the provision of policy advice to support decision-making by Ministers on policy matters relating to Veterans' Affairs, the provision of services to Ministers to enable them to discharge their portfolio responsibilities, the coordination of commemorations, and the provision of administration services. This appropriation is a MCOA because administration services support the provision of policy advice.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	2,715
Administration Services	-	-	2,495
Policy Advice	-	-	220
Revenue from Crown	-	-	2,715
Administration Services	-	-	2,495
Policy Advice	-	-	220
Revenue from Other	-	-	-
Administration Services	-	-	-
Policy Advice	-	-	-

Reasons for Change in Appropriation

New MCOA Policy Advice and Related Outputs established from 2012/13 to replace the former departmental output expense Policy and Administration disestablished 30 June 2012.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Provide policy advice to the Minister to support decision making by the Minister on government policy matters relating to Veteran's Affairs			
Replies to requests within 20 days of receipt of requests, if not otherwise specified.	N/A	N/A	95%
The drafts of policy papers presented to the Minister will be accepted on their first presentation.	N/A	N/A	95%
Policy papers will meet defined characteristics of quality advice (purpose, logic, accuracy, options, consultation, practicality and presentation).	N/A	N/A	Meet
Provide Ministerial Servicing and Support			
Replies to requests within 20 days of receipt of requests, if not otherwise specified.	N/A	N/A	95%
Responses accepted without substantive amendment.	N/A	N/A	95%
Provide Administration for War Pensions Appeal Board and War Pensions Advisory Board			
Arrangements and actions meet Boards requirements.	N/A	N/A	Meet
Actions defined by Boards will be completed within 20 working days after decisions made, unless otherwise specified.	N/A	N/A	95%
Management of Rehabilitation Loan Scheme			
Make payments within the timeframe specified.	N/A	N/A	100%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Administration of maintenance agreements and contracts for service relating to the maintenance and development of Services Cemeteries			
Contracts to be current, legally correct and clearly specify maintenance and development requirements.	N/A	N/A	Meet
No breaches of contract by Veterans' Affairs New Zealand.	N/A	N/A	100%
Breaches of contracts by contractors will be managed as per the conditions in the contract.	N/A	N/A	Meet
Services Cemeteries will have maintenance agreements specifying the maintenance standards in place.	N/A	N/A	100%
Quality Audits of Services Cemeteries			
Specifications outlined in contracts for service have been met.	N/A	N/A	100%
Coordinate New Zealand's participation in the commemoration of significant military anniversaries			
Participation to be delivered in accordance with agreed parameters and budget.	N/A	N/A	Meet

Conditions on Use of Appropriation

Characteristics of quality advice.

Reference	Conditions
Quality Characteristics	Description
Purpose	The aims of the papers are clearly stated and answer the questions the Minister has raised.
Logic	The assumptions behind the advice are explicit, the argument is logical and supported by facts.
Accuracy	The facts in the papers are accurate and all material facts have been included.
Options	An adequate range of options has been presented and each is assessed for benefits, costs and consequences to the Government and the community.
Consultation	Evidence of adequate consultation with interested parties and possible objections to proposals have been identified.
Practicality	The problems of implementation, technical feasibility, timing and consistency with other policies have been considered.
Presentation	The format meets Cabinet Office requirement, the material is effectively and concisely summarised, has short sentences in plain English, and is free from spelling and grammatical errors.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Financial support for World War Two veterans to attend military commemorations.	2011/12	700	562	1,600		

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.

Expenses and Revenue

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,853	2,853	-
Revenue from Crown	2,853	2,853	-
Revenue from Other	-	-	-

Reasons for Change in Appropriation

This appropriation ceases at the end of 2011/12, replaced by the output Policy Advice and Related Outputs MCOA.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Provide policy advice to the Minister of Veterans' Affairs on veterans' entitlements, care and recognition			All measures in this column are now included in the output Policy Advice and Related Outputs MCOA
Replies to requests within 20 days of receipt of requests, if not otherwise specified.	95%	95%	N/A
The drafts of policy papers presented to the Minister will be accepted on their first presentation.	95%	95%	N/A
Policy papers will meet defined characteristics of quality advice (purpose, logic, accuracy, options, consultation, practicality and presentation).	Meet	Meet	N/A
Provide Ministerial Servicing and Support			
Replies to requests within 20 days of receipt of requests, if not otherwise specified.	95%	95%	N/A
Responses accepted without amendment.	95%	95%	N/A
Provide Administration for War Pensions Appeal Board and War Pensions Advisory Board			
Arrangements and actions meet Boards requirements.	Meet	Meet	N/A
Actions defined by Boards will be completed within 20 working days after decisions made, unless otherwise specified.	95%	95%	N/A

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Management of Rehabilitation Loan Scheme			
Make payments within the timeframe specified.	100%	100%	N/A
Administration of maintenance agreements and contracts for service relating to the maintenance and development of Services Cemeteries			
Contracts to be current, legally correct and clearly specify maintenance and development requirements.	Meet	Meet	N/A
No breaches of contract by Veterans' Affairs New Zealand.	100%	100%	N/A
Breaches of contracts by contractors will be managed as per the conditions in the contract.	Meet	Meet	N/A
Services Cemeteries will have maintenance agreements specifying the maintenance standards in place.	100%	100%	N/A
Quality Audits of Services Cemeteries			
Specifications outlined in contracts for service have been met.	100%	100%	N/A
Coordinate New Zealand's participation in the commemoration of significant military anniversaries			
Participation to be delivered in accordance with agreed parameters and budget.	Meet	Meet	N/A

Conditions on Use of Appropriation

Reference	Conditions
Quality Characteristics	Description
Purpose	The aims of the papers are clearly stated and answer the questions the Minister has raised.
Logic	The assumptions behind the advice are explicit, the argument is logical and supported by facts.
Accuracy	The facts in the papers are accurate and all material facts have been included.
Options	An adequate range of options has been presented and each is assessed for benefits, costs and consequences to the Government and the community.
Consultation	Evidence of adequate consultation with interested parties and possible objections to proposals have been identified.
Practicality	The problems of implementation, technical feasibility, timing and consistency with other policies have been considered.
Presentation	The format meets Cabinet Office requirement, the material is effectively and concisely summarised, has short sentences in plain English, and is free from spelling and grammatical errors.

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,814	5,814	6,014
Revenue from Crown	5,337	5,337	5,537
Revenue from Other	477	477	477

Reasons for Change in Appropriation

This appropriation will increase due to the effect of a \$200,000 Operating to Capital transfer in 2011/12 not in effect for 2012/13.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assess and Review Entitlements to War Disablement Pension			
Assessments and Reviews will be conducted against extant policy.	Meet	Meet	Meet
War Disablement Pension Claims will be determined by the Claims Panel within two months of receipt where all the required documentation has been provided.	85%	85%	85%
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. Not appropriate as the War Pensions Appeal Board is a completely independent body to VANZ.	95%	0%	N/A
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 has been supplied with the application, an ex-service memorial 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 effectiveness of the interventions put in place.	100%	100%	100%
The intervention packages that are put in place by case management will meet the identified need of the veteran.	85%	85%	85%

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Deal with Enquiries			
Calls will be resolved on first contact.	80%	80%	80%
Calls will be resolved within 5 working days.	100%	100%	100%
The resolution provided by the enquiry line will meet the identified need of the caller.	95%	95%	95%

Conditions on Use of Appropriation

Reference	Conditions
Extant Policy	Policy complies with the War Pensions Act 1954.
Technical specifications for 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.

Part 2.2 - Non-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.	Development and Maintenance of Services Cemeteries
	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.	Support for Veterans and their Families

Development and Maintenance of Services Cemeteries (M75)

Scope of Appropriation

The purchase of the development and maintenance of Services Cemeteries.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	746	746	746

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Develop and Maintain Services Cemeteries			
Works carried out under contract will comply with agreed contract standards.	90%	90%	90%
Services Cemeteries will be maintained to specified standards.	100%	100%	100%
Works in Services Cemeteries will be managed in accordance with an agreed annual programme.	Meet	Meet	Meet
Service Cemeteries will be maintained to the satisfaction of Local Authorities, the RSA and veterans' representative organisations.	Meet	Meet	Meet

Conditions on Use of Appropriation

Reference	Conditions
Standards for Services Cemeteries	These define the maintenance standards for service cemeteries that Local Authorities need to meet in order to receive maintenance grants.
Works in Services Cemeteries	All work funded under this appropriation is contracted with specifications around the work to be undertaken.

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.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,477	1,477	1,027

Reasons for Change in Appropriation

This appropriation will decrease by \$450,000 to \$1.027 million in 2012/13 as a result of a Fiscally Neutral Adjustment available in 2011/12 only, and the ceasing of an annual grant of \$250,000 in 2011/12.

Output Performance Measures and Standards

Performance Measures	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The services provided will be to the satisfaction of the veteran and/or the veteran's family.	Meet	Meet	Meet
Works carried out under contract will comply with agreed contract standards.	95%	95%	95%

Conditions on Use of Appropriation

Reference	Conditions
Services	All interventions are contracted with specifications around the work to be undertaken.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
A grant to the RNZRSA to support the RNZRSA in furthering its mission	2008/09	250	-	-	-	-

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
Working in partnership with 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.	Medical Treatment
	War Disablement Pensions
	Special Annuities
	Interest Concessions

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	9	6	4

Reasons for Change in Appropriation

This appropriation is steadily reducing as the amount of outstanding loan capital declines. It is also subject to variation as interest rates change.

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

	2011/12		2012/13	2013/14	2014/15	2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	21,670	20,221	21,070	21,133	21,310	21,408

Reasons for Change in Appropriation

This appropriation is volatile but is expected to decrease by \$600,000 between 2011/12 and 2012/13. Factors contributing to the decrease include the downward trend in the number of recipients. In the outyears, expenditure is expected to increase at a slow pace.

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	29	26	27

Reasons for Change in Appropriation

There are small increases in the outyears as a result of inflation indexation adjustments. A small increase to allow for forecast variation has been included in 2011/12.

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.

Expenses

	2011/12		2012/13	2013/14	2014/15	2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Total Appropriation	129,621	128,705	124,140	119,333	115,217	111,490

Reasons for Change in Appropriation

This appropriation will decrease by \$5.481 million between 2011/12 and 2012/13 due to the 1.77% cost of living indexation adjustment in April 2012 more than offset by the ongoing reduction in the number of recipients. The underlying downward trend in the number of recipients exceeds the impact of indexation adjustments to yield a falling trend in expenditure in later years.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
Increase in payment for gallantry allowances	2010/11	129	118	107	97	-
Tax Reform Package for Budget 2010	2010/11	3,124	3,363	3,425	-	-
Funding of Additional Deployments	2012/13	-	881	957	1,104	1,352

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

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

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	250	250	250

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.

Expenses

	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,200	1,200	1,300

Reasons for Change in Appropriation

This appropriation will increase by \$100,000 to \$1.300 million in 2012/13. The increase reflects the transfer of a forecast 2011/12 underspend of \$200,000 redirected to non-departmental output expense Support for Veterans and Their Families. This is combined with an expected reduced demand for ex-gratia payments in 2012/13.

Expected Results

	2011/12		2012/13
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Provision of annual medical checks for Vietnam veterans.	Up to 2000	Up to 2000	Up to 2000
Number of ex-gratia payments likely to be made to Vietnam veterans and/or members of their family with accepted conditions.	Up to 6	Up to 6	Up to 6

Conditions on Use of Appropriation

Reference	Conditions
Accepted Conditions	A condition on the Institute of Medicine of the United States National Academy of Sciences 'Sufficient Evidence of Association' list, or one of five conditions accepted as being related to parental dioxin exposure.
Comprehensive Medical Assessments	An assessment of the impact of service and exposure to a toxic environment on Vietnam veterans.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2011/12 Budgeted \$000	2012/13 Budget \$000	2013/14 Estimated \$000	2014/15 Estimated \$000	2015/16 Estimated \$000
MOU signed by the Crown with the Ex-Vietnam Services Association and the RNZRSA regarding the concerns of Vietnam veterans.	2006/07	400	300	200	-	-
Annual Comprehensive Medical Assessments for Vietnam veterans.	2009/10	1,000	1,000	1,000	1,000	-