

Information Supporting the Supplementary Estimates

Vote Veterans' Affairs

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

	2007/08				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	13,459	-	-	-	13,459
Benefits and Other Unrequited Expenses	301,926	N/A	11,703	11,703	313,629
Borrowing Expenses	-	-	-	-	-
Other Expenses	1,500	-	180	180	1,680
Capital Expenditure	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	316,885	-	11,883	11,883	328,768
Crown Revenue and Receipts					
Tax Revenue	-	N/A	N/A	-	-
Non-Tax Revenue	-	N/A	N/A	-	-
Capital Receipts	-	N/A	N/A	-	-
Total Crown Revenue and Receipts	-	N/A	N/A	-	-

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

Provision of the differential between the 3% or 5% Rehabilitation Loan rate and the current market rate as set out in the Rehabilitation Act 1941. Legislation enacting the scheme was repealed in August 1991 and the Rehabilitation Loan Programme has since ceased. Current provisions cover the grandparenting of loans.

Reasons for Change in Appropriation

This appropriation will increase by \$17,000 to \$77,000 for 2007/08. The increase in the appropriation is to reduce the probability of an overspend combined with an increase in the interest rate.

Medical Treatment (M75)

Scope of Appropriation

Provision to pay assessment costs 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. All costs associated with medical treatment are set out in the War Pensions Regulations 1956.

Reasons for Change in Appropriation

This appropriation will increase by \$1.594 million to \$18.884 million for 2007/08. The Medical Treatment (excluding Australia) expenditure has increased, combined with an increase in the appropriation to reduce the probability of an overspend.

Veterans' Pension (M75)

Scope of Appropriation

Provision of income support for ex-service people in a declared war or emergency who have either reached the qualifying age for New Zealand Superannuation and are on a 70% (or greater) War Disablement Pension, or are prevented from undertaking employment for a substantial period due to disability and who fulfill the New Zealand citizenship and residency requirements as set out in section 70 of the War Pensions Act 1954.

Reasons for Change in Appropriation

This appropriation will increase by \$4.802 million to \$161.433 million for 2007/08. This is owing to the combined effect of an upward revision in the forecast number of recipients, an increase in the average payment rate and an increase in the Consumers Price Index.

War Disablement Pensions (M75)

Scope of Appropriation

Provision to pay 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 section 19 of the War Pensions Act 1954. This appropriation also covers Surviving Spouse Pensions as set out in section 48 of the War Pensions Act 1954, the allowances set out under the War Pensions Act 1954 and the War Pensions Regulations 1956.

Reasons for Change in Appropriation

This appropriation will increase by \$5.290 million to \$133.235 million for 2007/08. This is owing to increases in the average level of disablement, leading to an upward revision to the average payment rate.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

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.

Reasons for Change in Appropriation

This appropriation will increase by \$180,000 to \$1.680 million in 2007/2008. The increase in the appropriation is due to the provision of payments to veterans and/or members of their families with accepted conditions and one-off medical assessments.