



VIET NAM VETERANS AND THEIR FAMILIES TRUST

ANNUAL REPORT

For the period 1 November 2008 - 30 June 2009

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INTRODUCTION

The Viet Nam Veterans and Their Families Trust (the Trust) was established on 16 August 2007 by the New Zealand Government together with veterans' organisations. The Trust provides grants to Viet Nam veterans and their families for purposes set out in the Trust Deed. These grants are additional to any existing entitlements, under the War Pensions Act 1954, to which Viet Nam veterans may be entitled.

The Trust was established with a capital endowment of \$7 million for a 30 year period. During that time, the net income derived from the capital will be available for distribution to veterans and their families under the provisions of the Trust Deed.

Administration of the Trust is provided by the Department of Internal Affairs and is separately funded by the Government at no cost to the Trust.

OBJECTIVES OF THE TRUST

The objectives of the Trust are set out in the Trust Deed. The Trust provides support to Viet Nam veterans and their families mainly for relief from poverty or hardship through one-off grants.

The Trust Deed is available from www.veteransaffairs.mil.nz.

THE ROLE OF THE TRUSTEES

While the Trust is administered by the Department of Internal Affairs, it is independent of the Government. The Trustees are governed by the provisions of the Trust Deed, and have strong accountability links to the community of veterans for whom the Trust was established.

The Trustees consider all applications received by the Trust and decide based on each application's merit, whether to make a grant and, if so, for how much.

In addition, it is the role of the Trustees to invest the \$7 million capital to ensure that it is both secure and generates optimal income for the beneficiaries of the Trust and to comply with the provisions of the Trust Deed.

TRUSTEES

There are a minimum of three and a maximum of five Trustees. The appointment of Trustees is decided by the following:

- Minister of Veterans' Affairs and Minister of Defence – one Trustee
- Ex-Vietnam Services Association (EVSA) – two Trustees
- Royal New Zealand Returned and Services' Association (RNZRSA) – two Trustees.

The Trustees between November 2008 and June 2009 were:

- Michael Wintringham (Chair)
- Conrad Flinkenberg
- Robert Hill (from May 2009)
- Henry Macown
- Alastair MacKenzie
- John Masters (until May 2009).

The Trust farewelled John Masters as a Trustee. He made an enormous contribution to the Trust, just as he has to the Viet Nam veterans' community, and on behalf of other veterans as well.

The RNZRSA has nominated Robert "Bukit" Hill as his replacement. He is in place and already doing a fine job on behalf of the beneficiaries of the Trust.

SETTLORS

The Minister of Veterans' Affairs and Minister of Defence, acting on behalf of the Government of New Zealand, are the Settlers of the Trust. They have responsibilities relating to the establishment or disestablishment of the Trust, and maintain the appointment of one Trustee, until the Settlement Repayment Date.

DISBURSEMENT MEETINGS

The fund is open all year. The Trustees meet up to six times a year, including an Annual General Meeting. Between November 2008 and June 2009 the Trust met four times on the following dates:

- 10 November 2008 (funding)
- 24 November 2008 (Annual General Meeting)
- 2 February 2009 (funding)
- 25 May 2009 (funding).

FINANCIAL COMMENT

In the eight months between 1 November 2008 and 30 June 2009 the Trust allocated \$174,110 in one-off grants to Viet Nam veterans and their families. Details about the grants are available in the Chair's Report on pages six and seven of this report.

CHAIR'S REPORT

This report is for an eight month year – from 1 November 2008 to 30 June 2009. The reason goes back to the establishment of the Trust in mid-2007. By the time the Trustees had developed an application process, communicated with the beneficiaries, distributed application forms, and considered the first round of applications, it was late 2007. Under the Trust Deed the Trustees can set the financial year. The Trustees decided to make the first financial year 1 November 2007 to 30 October 2008, so we would have some reasonable results to report to the beneficiaries of the Trust.

Now that the Trust has settled into a more regular pattern of operation, we have reverted to a conventional 30 June end of financial year. In this report I will try to set the results for the 8 months in the context of the operations and performance of the Trust since inception

HIGHLIGHTS

Since it was established in 2007, the Trust has distributed \$1,054,287. This was made up of:

- 1 November 2007 to 30 October 2008 \$880,177
- 1 November 2008 to 30 June 2009 \$174,110

There are three reasons for the smaller sum distributed this year:

1. The result was for eight rather than twelve months as described above.
2. The money available from interest on the \$7 million fund has reduced as interest rates fell rapidly over the last year, from around eight percent to four percent approximately.
3. In its first year of operation the Trust was granted \$300,000 “seed money” for distribution, so that we could start making grants immediately, rather than have to wait for the first tranche of interest income.

The fall in interest rates meant less money was available to distribute as grants. This is shown below by fewer grants being made in the period to 30 June 2009.

1. To 30 October 2008 we approved 117 grants, at an average of \$7522 per grant.

2. In the eight months between 1 November and 30 June 2009 we approved 48 grants, at an average of \$3627 per grant.

This reflects some hard decisions the Trustees have had to make on behalf of the beneficiaries of the Trust. With lower income to distribute, the fact that every approval reduces the balance available for others becomes more important. For that reason, to make the money stretch as far as possible, the Trustees have:

1. tried to direct the funds where there is demonstrable hardship and where the money will make a difference
2. declined more applications (32 in the first year, 48 in the eight months to 30 June 2009), not because they didn't have merit, but often because there was very little information accompanying them on which we could make an assessment;
3. often made a grant at a lower amount than was requested.

We may not always get it right, and applicants can always come back to us if they think we have got it badly wrong.

We have taken some other steps to reduce costs and make the money go further. For example, by reducing the number of times we meet, the travel costs are reduced, and more money is available for grants.

OTHER FUNDING SOURCES

We have tried to establish links with Veterans' Affairs New Zealand (VANZ), the Neville Wallace Memorial Trust and the New Zealand Special Air Service (NZSAS) Trust. If an applicant to our Trust would qualify for funding from VANZ, or if the other funds have money available which our applicant could qualify for, then it would make our money go further if they accessed those sources first. It is not easy. We try to respect the privacy of those who apply to us; and don't want to give applicants the run-around. But if applicants find themselves in that position, please try to remember that we are doing our best to stretch the dollar among many applicants, some of whom have nowhere else to go.

We will try to build on these relationships for the benefit of the Viet Nam veterans' community.

A UNIQUE INSTITUTION

The Trust is highly unusual. In some ways it was an experiment by the Government - to pass over an income stream, from public money, to a group to set their own priorities (within the limits of the Trust Deed), and see to the wellbeing of their own community or whānau. Its success relies a lot on: trust and goodwill between the beneficiaries of the Trust and the Trustees; the honesty of the applicants; the carefulness of the Trustees; and the confidence that the Government has in the administration of the Trust. So far so good. We need to keep it that way.

OUR HOSTS

I thank the Taradale RNZRSA for being our host for this year's AGM. If we can ensure a reasonable attendance, we will continue to hold the AGMs around the country, so that as many Viet Nam veterans and family members as possible can have the opportunity to look us in the eye and tell us what they think of our performance on their behalf.

Michael Wintringham (Chair)
Viet Nam Veterans and Their Families Trust