



Cabinet

Minute of Decision

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Minister of Defence
Minister of Veterans' Affairs

Additional Item: Response to Joint Working Group Report on Concerns of Viet Nam Veterans

On 4 December 2006 Cabinet:

Background

- 1 **noted** that on 29 May 2006 the Cabinet Business Committee invited the Minister of Defence and Minister of Veterans' Affairs to submit a paper to the Cabinet Policy Committee (POL) outlining options for the government's response to the Report of the Joint Working Group on the Concerns of Viet Nam Veterans, taking into account fiscal and precedent risks [CBC Min (06) 10/19];
- 2 **noted** that on 14 August 2006 Cabinet agreed, in principle, subject to the provision of costed proposals and subsequent approval by Cabinet, the following package of responses to the Joint Working Group's recommendations [CAB Min (06) 30/3]:

Acknowledging the past

- 2.1 a formal government apology and acknowledgement;
- 2.2 that government sets aside, as a basis for future policy, the Reeves and McLeod reports;
- 2.3 a public statement by the New Zealand Defence Force;
- 2.4 that the New Zealand Defence Force formally acknowledge and welcome back the surviving New Zealand veterans of the Viet Nam war;
- 2.5 the recording of Viet Nam stories for the Ministry for Culture and Heritage oral history project;
- 2.6 the acceptance of combat related South Vietnamese gallantry awards;

Putting things right

- 2.7 the use of the Institute of Medicine of the United States National Academy of Sciences lists of medical conditions;

- 2.8 provision of *ex gratia* lump sum disability payments for veterans with conditions on the Institute of Medicine of the United States National Academy of Sciences 'sufficient evidence of an association' list;
- 2.9 payment of a 160% war disablement pension to veterans with terminal illness and the use of a presumptive list as the basis for automatic eligibility for a war disablement pension;
- 2.10 provision of *ex gratia* lump sum payment to surviving spouses or partners of Viet Nam veterans who died of conditions on the Institute of Medicine of the United States National Academy of Sciences 'sufficient evidence of an association' list;
- 2.11 provision of an *ex gratia* lump sum payment to the children of Viet Nam veterans if the child has one of the five currently accepted conditions;
- 2.12 examination of other ways to improve the provision of services to the children of Viet Nam veterans;
- 2.13 the maintenance of a national register of the grandchildren of Viet Nam veterans, noting that if scientific evidence shows a link between exposure to dioxins and medical conditions, the Crown would be able to act according to the precedent set for the children of veterans;
- 2.14 commitment to ensuring that relevant research is incorporated into policies for the descendants of Viet Nam veterans;
- 2.15 contribution to the Ex-Vietnam Services Association (EVSA) Youth Development Trust;

Improving services to Viet Nam veterans

- 2.16 the establishment of a national register of Viet Nam veterans;
 - 2.17 the establishment of a veterans' card;
 - 2.18 the provision of information for clinicians;
 - 2.19 a review of services for Viet Nam veterans living in Australia;
- 3 **noted** that on 11 October 2006, having been authorised by Cabinet to have Power to Act, POL agreed to the following additional measures [POL Min (06) 21/15]:
- 3.1 a sum of \$2.5 million to be allocated for a specially created joint fund to allow the EVSA and the Returned Services Association (RSA) to make discretionary payments to cover cases such as children or grandchildren of veterans who do not fit into any officially recognised medical categories;
 - 3.2 the government fund a comprehensive initial medical assessment for Viet Nam veterans in order to ascertain their eligibility for a war disablement pension;
- 4 **noted** the contents of the paper tabled at Cabinet by the Minister of Defence and Minister of Veterans' Affairs on the progress of the negotiations with veterans' representatives;

Respiratory and prostate cancer

- 5 **noted** that the acceptance of the Joint Working Group's recommendations regarding respiratory and prostate cancers would undermine an evidence-based approach to determining whether a particular condition is caused by, or is associated with, service in Viet Nam;
- 6 **noted** that Viet Nam veterans with respiratory and prostate cancer are already entitled to a tax free income from a war disablement pension set in proportion to the impact of the cancer on a veteran's quality of life and are able to access the health system on preferential terms;
- 7 **noted** that a significant concern raised by the RSA is the current rate of war disablement pension being paid for these two conditions relative to the pensions being paid to veterans with other disabilities;
- 8 **noted** that the review of the War Pensions Act provides an opportunity to address any inequities identified in the level of war disablement pension payments for veterans with different disabilities, but legislation arising from the review is unlikely to be introduced into the House until 2008;
- 9 **agreed**, as an interim measure, that a panel of three experts be convened to make recommendations to the Secretary of War Pensions on the appropriate rate of war disablement pension payments for disabilities not listed in the Ninth Schedule of the War Pensions Act 1954;
- 10 **invited** the Minister of Defence and Minister of Veterans' Affairs to report to the Cabinet Appointments and Honours Committee on the membership and terms of reference for the experts panel, following consultation with the RSA and EVSA;
- 11 **agreed** that any changes in the rate of the war disablement pension payments for specific conditions arising from the recommendations of the expert panel should be backdated to the date of diagnosis and/or other appropriate milestones identified by the expert panel (where a range of rates are recommended for any single condition);

Historic tax repayment

- 12 **noted** that offering payments to all Viet Nam veterans as compensation for taxes they paid while serving in Viet Nam is both inappropriate and contrary to the government's goal of delivering assistance to veterans most in need;
- 13 **noted** that the RSA and EVSA have accepted the government's position and support the alternative option of establishing a trust fund to deliver flexible assistance to veterans and their families who are suffering serious difficulties in their life;

Trust fund

- 14 **rescinded** the decision referred to in paragraph 3.1, and instead
- 15 **agreed** that a \$7.0 million endowment be allocated in 2007/08 to an endowment trust that will make discretionary payments from the trust's interest income to veterans, widows, children and grandchildren in cases where they are suffering serious difficulties in their life;

- 16 **agreed** that the endowment trust should operate for 30 years, with the \$7.0 million endowment reverting to the Crown when the trust is wound up;
- 17 **agreed** that the funding for the endowment trust will be appropriated as part of Budget 2007 and that this will be a first call against the Families – Young and Old allocation;
- 18 **invited** the Minister of Defence and Minister of Veterans' Affairs to report back to POL on the provisions of the trust deed and appointment of trustees, following consultation with the RSA and EVSA;

Children's card

- 19 **agreed** to the establishment of a Viet Nam Veteran Children's Card for the children and grandchildren of Viet Nam veterans, or a mutually agreed alternative mechanism, to allow medical providers to readily identify them;

Medallic Recognition

- 20 **noted** that in considering the report of the Joint Working Group, NZDF and the RSA had agreed that the RSA would develop a case for a distinct national campaign medal for active service in Viet Nam;
- 21 **noted** that, having considered the matter further, the RSA has recommended that instead of a new campaign medal, the best solution would be to extend eligibility for the existing New Zealand General Service Medal 1992 with clasp Viet Nam, to those Viet Nam veterans who are currently eligible for the Viet Nam Medal 1964;
- 22 **agreed** to the RSA recommendation as set out in paragraph 21;

Next steps

- 23 **noted** that the Minister of Defence and Minister of Veterans' Affairs intend to sign a Memorandum of Understanding with the RSA and EVSA reflecting the Cabinet decisions referred to in paragraphs 2.1 to 2.19, 3.2 and 9 to 22;
- 24 **noted** that the Minister of Defence and Minister of Veterans' Affairs would announce the government's response to the Joint Working Group report once the Memorandum of Understanding has been signed;
- 25 **noted** that the Joint Working Group report will be publicly released at the time of the announcement;
- 26 **agreed** that a Joint Implementation Group, comprising Mr Paul Carpinter (interim Chair), the New Zealand Defence Force, Veterans' Affairs New Zealand, Ministry of Social Development, RSA and EVSA, to be serviced by the Department of Internal Affairs, should be established to oversee the implementation of the Memorandum of Understanding;

Financial implications

- 27 **noted** that it is not possible to fully cost the package until the completion of the Veterans' register;

- 28 **noted** that some measures in the package are required now as a basis for the implementation for the rest of the package, so funding will be required for the 2006/07 financial year;
- 29 **agreed** to an increase in funding for Vote Veterans' Affairs for development of a Veterans' register and to fund the Joint Implementation Group;
- 30 **agreed** to an increase in funding for Vote Internal Affairs to implement the work of the expert panel on war disablement pensions;
- 31 **agreed** to an increase in funding for Vote Arts, Culture and Heritage to implement the work on the oral history of Viet Nam veterans;
- 32 **noted** the funding sought for the Vote Veterans' Affairs and Vote Internal Affairs initiatives referred to in paragraphs 29 and 30 will be a charge against the 'Families, Young and Old' theme and will be a first call against the Budget 2007 allocations for this theme;
- 33 **noted** the funding sought for the Vote Arts, Culture and Heritage initiative referred to in paragraph 31 will be a charge against the National Identity theme and will be a first call against the Budget 2007 allocations for this theme;
- 34 **approved** the following changes to appropriations to enable the work referred to in paragraphs 29 - 31 to be completed, with a corresponding impact on the operating balance:

	\$m – increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Vote Veterans' Affairs Minister of Veterans' Affairs					
Departmental Output Expense: Services to Veterans (funded by revenue Crown)	0.100	-	-	-	-
Vote Internal Affairs Minister of Internal Affairs					
Departmental Output Expense: Information and Advisory Services (funded by revenue Crown)	0.500	-	-	-	-
Vote Arts, Culture and Heritage Minister for Arts, Culture and Heritage					
Departmental Output Expense: Heritage Services	0.200	0.200	0.200	0.200	-
Total Operating	0.800	0.200	0.200	0.200	-

- 35 **noted** that a Budget bid will be submitted with an estimate of the remaining costs to be considered as a contingency item in Budget 2007, currently estimated at around \$7.0 – \$15.0 million;

- 36 **agreed** to include the above changes in appropriations in the 2006/07 Supplementary Estimates and that, in the interim, the expenses be incurred under Imprest Supply;
- 37 **noted** the advice of the Minister of Defence that he will consult other parties represented in Parliament.

Secretary of the Cabinet

Reference: Paper tabled by the Minister of Defence and Minister of Veterans' Affairs entitled 'Response to Joint Working Group Report on Concerns of Viet Nam Veterans'