



# Veterans Affairs Canada

1997-98  
Estimates

A Report on Plans and Priorities  
Pilot Document

## **The Estimates Documents**

The Estimates of the Government of Canada are structured in three Parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve. The Part III documents provide additional detail on each department and its programs primarily in terms of the results expected for the money spent.

Instructions for obtaining each volume can be found on the order form enclosed with Part II.

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Approved

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Minister of National Defence and  
Minister of Veterans Affairs

## Foreward

The Improved Reporting to Parliament Project (IRPP) was established within the Treasury Board Secretariat to improve the Expenditure Management information provided to Parliament, and to update the processes used to prepare this information. This is part of a broader initiative to increase the results orientation and increase the transparency of information provided to Parliament known as “Getting Government Right”.

During the period from August 1995 to December 1996, extensive consultations were held with members of Parliament and other key stakeholders to examine options to improve the information provided to Parliament. A clear requirement was identified to improve performance information and to provide planning information that is results oriented, longer term and more strategic in focus, and clearly communicated.

The IRPP has unfolded in three phases. In March, 1996, six departments tabled revised Part III of the Main Estimates documents. These documents responded to requirements to provide a better focus on planning and performance information.

In June 1996, the House of Commons gave its concurrence to expand the pilot project and to test the tabling of separate planning and performance documents. In October, 1996, sixteen departments tabled performance reports as phase two of the IRPP. These performance reports have been evaluated and found to provide relevant and timely information, with broad support for providing separate performance reports on an ongoing basis.

The Report on Plans and Priorities is being tabled by the same sixteen pilot departments as phase three of the IRPP. These documents, and the separation of planning and performance information will be assessed, and if Parliament agrees, all departments and agencies will move to a spring Report on Plans and Priorities, and a fall Performance Report, with the first complete package of separate performance reports beginning in the fall of 1997.

These documents are available electronically from the Treasury Board Secretariat Internet site:  
<http://www.tbs-sct.gc.ca/tb/key.html>

Comments or questions about this document, or the Improved Reporting to Parliament Project, can be directed to the TBS Internet site, or to:

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## Table of Contents

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|            |   |    |
|------------|---|----|
| <b>I</b>   | <b>Message from the Secretary of State (Veterans)</b> ..... | 1  |
| <b>II</b>  | <b>Plans and Priorities</b> .....                           | 2  |
| A.         | Summary of Key Plans, Priorities and Strategies .....       | 2  |
| B.         | Portfolio Overview .....                                    | 3  |
| 1.         | Roles, Responsibilities and Mission .....                   | 3  |
| 2.         | Organization and Program Composition .....                  | 4  |
|            | Veterans Affairs Program .....                              | 4  |
|            | Veterans Review and Appeal Board Program .....              | 4  |
| 3.         | Corporate Objectives, Priorities and Strategies .....       | 5  |
| 4.         | Resource Plans and Financial Tables .....                   | 7  |
| 5.         | Key Planning Factors .....                                  | 10 |
|            | Planning Assumptions .....                                  | 10 |
|            | External Factors Influencing the Program .....              | 10 |
| 6.         | Corporate Communications .....                              | 15 |
| C.         | Plans and Priorities by Activity .....                      | 16 |
| 1.         | Health Care .....   | 16 |
| 2.         | Pensions .....  | 21 |
| 3.         | Economic Support .....                                      | 23 |
| 4.         | Departmental Administration .....                           | 26 |
| <b>III</b> | <b>Supplementary Information</b> .....                      | 33 |
| 1.         | Spending Authorities .....                                  | 33 |
| 2.         | Organization .....  | 35 |
| 3.         | Additional Financial Information .....                      | 37 |
|            | Gross and Net Portfolio Expenditures by Activity .....      | 37 |
|            | Details of Revenues by Activity .....                       | 38 |
|            | Transfer Payments by Activity .....                         | 39 |
|            | Presentation by Standard Object .....                       | 42 |
| 4.         | Statutes Administered by the Portfolio .....                | 45 |
| 5.         | References and Departmental Contacts .....                  | 47 |
| <b>IV</b>  | <b>Topical Index</b> .....                                  | 48 |

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## I Message from the Secretary of State (Veterans)

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I am pleased to present Veterans Affairs' Report on Plans and Priorities for the period covering the 1997-98 to 1999-2000 fiscal years.

All levels of government must now work within a framework of global fiscal pressures, demographic changes, and results expectations. During the last decade, Veterans Affairs has reviewed its programs and work processes and initiated cost containment measures in order to ensure that services provided were relevant, effective and cost-efficient. Portfolio employees continue to look for ways to improve service and reduce expenditures while remaining steadfast in their dedication to providing quality service to their clients, in keeping with Veterans Affairs' guiding principles of courtesy, speed and fairness.

Veterans Affairs is committed to providing veterans, their dependents and other qualified civilians with the benefits, financial assistance and health care services to which they are entitled; of promoting their well-being and self-sufficiency as participating members of their community; and of keeping the memory of their achievements and sacrifices alive for all Canadians.

This document outlines the strategic planning initiatives that have been undertaken to fulfill Canada's commitments to our veterans. The pension streamlining initiative will result in a 50% reduction in turnaround times for disability pension applications while the Veterans Health Care Needs Review will ensure that veterans receive the care and support they require now and into the future.

The Portfolio has also entered into several partnership arrangements with other federal government departments, provincial governments and with the private sector to share information, expertise and costs.

To assure Canadians that Veterans Affairs' spending is generating tangible results, we are developing comprehensive assessment tools which will demonstrate, in our Fall "Performance Report", that value for money and the desired outcomes are being achieved.

A handwritten signature in cursive script that reads "Lawrence MacAulay". The signature is written in dark ink and is positioned to the left of a vertical line.

The Honourable Lawrence A. MacAulay, P.C., M.P.  
Secretary of State (Veterans)

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## II Plans and Priorities

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### A. Summary of Key Plans, Priorities and Strategies

Veterans Affairs' programs reflect Canada's commitment to the well-being of its veterans, qualified civilians and their dependants. The Portfolio remains steadfast in its dedication to program delivery based on the guiding principles of courtesy, speed and fairness.

Veterans Affairs has identified key commitments which were included in the October 1996 Report by the President of the Treasury Board:

**To provide veterans, their dependants and other qualified civilians with the benefits, financial assistance and health care services to which they are entitled, in a cost-effective manner.**

**To be demonstrated by:**

- Turnaround times on pension applications reduced by 50 percent within two years.
- Health care costs contained or reduced through the elimination of excess, duplication and overlap while ensuring that the quality of care to clients is not diminished.
- As part of a government-wide initiative, opportunities for reducing costs of health products and services explored through collective purchasing by federal government departments while maintaining a satisfactory

level of service.

- High quality of service provided to clients in accordance with a comprehensive set of published service standards.
- The possibility of transferring Ste. Anne's Hospital to provincial jurisdiction explored.

**To promote the well being and self-sufficiency of clients as participating members of their communities.**

**To be demonstrated by:**

- Clients' independence and quality of life retained through programs such as the Veterans Independence Program.

**To keep the memory of the achievements and sacrifices of veterans alive for all Canadians.**

**To be demonstrated by:**

- Education and awareness programs developed to increase our youth's knowledge of Canada's wartime efforts.
- The use of technology (e.g. Internet, SchoolNet) expanded for sharing information on Canada's wartime accomplishments and their legacy.

## **B. Portfolio Overview**

### **1. Roles, Responsibilities and Mission**

Canada has long recognized the hardship, suffering and sacrifice made by veterans, certain civilians and their families to the country's war and peacekeeping efforts. The Veterans Affairs Portfolio exists to serve them.

Since 1944, Veterans Affairs' overall role, in co-operation with other federal government departments, provincial governments and the private sector, has been to lead the development, coordination and administration of federal policies and programs that provide veterans, qualified civilians and their dependants with financial, material and physical support. Benefits and services have principally been delivered in the areas of health care, disability pensions, economic support, management of property contracts, legal aid and appeals. The Portfolio is also responsible for commemorating Canada's wartime sacrifice.

The organization's broad-based objectives are captured in its Mission Statement:

*To provide veterans, qualified civilians and their families with the benefits and services to which they are entitled; to promote their well-being and self-sufficiency as participating members of their communities; and to keep the memory of their achievements and sacrifices alive for all Canadians.*

The Veterans Affairs Portfolio is comprised of Veterans Affairs Canada (the Department) and the Veterans Review and Appeal Board. The Minister of Veterans Affairs is responsible to Parliament for the Veterans Affairs Portfolio. The Secretary of State (Veterans) assists the Minister with these responsibilities.

**Veterans Affairs Canada's** mandate is to meet the needs of Canadians who served their country during wartime and peacekeeping and to honour those who gave their lives. The authority for this Portfolio Program is contained in the *Department of Veterans Affairs Act*, 16 other acts of Parliament, and 32 sets of regulations and Orders-in-Council.

The **Veterans Review and Appeal Board's** mandate is to determine, and deal with, all applications for review and all appeals that may be made to the Board under the *Pension Act*, the *War Veterans Allowance Act* or other acts of Parliament. All matters related to those applications and appeals are authorized under the *Veterans Review and Appeal Board Act*.

A list of legislation associated with the mandate of the Veterans Affairs Portfolio is presented in the Supplementary Information Section, on page 45.



## 2. Organization and Program Composition

**Veterans Affairs Program:** The Veterans Affairs Program, which operates under the direction of Veterans Affairs Canada (VAC), consists of four activities: health care, pensions, economic support and departmental administration.

The benefits and services provided through these activities include: disability pensions, War Veterans Allowance, treatment benefits, information, counselling, legal advocacy, assessment of health care needs, adjudication of claims for pensions and allowances, funeral and burial assistance, administration of property agreements with participating veterans and assistance to veterans settled under the *Veterans Land Act*. As well, there are special activities and grants to commemorate Canada's war dead and those who served Canada during other periods of conflict.

VAC intends to deliver benefits and services in 1997-98 with a staff complement of 3,212 Full-time Equivalents (FTEs) through a decentralized organization consisting of a Head Office located in Charlottetown, the National Capital Office in Ottawa and a network of regional and district offices across Canada. The Department also operates a hospital in Ste-Anne-de-Bellevue, Quebec.

### **Veterans Review and Appeal Board**

**Program:** The Veterans Review and Appeal Board Program operates under the direction of the Veterans Review and Appeal Board (VRAB) and is responsible for rendering decisions in reviews and appeals of disability pension cases, as well as appeals of War Veterans Allowance cases.

VRAB intends to deliver these services in 1997-98 with a staff complement of 105 FTEs through a Head Office in Charlottetown, although hearings will be held in many sites across the country.

The organization chart on page 35 provides a brief description of the roles, responsibilities and some of the enabling legislation for each of the Portfolio's organizational units.

### 3. Corporate Objectives, Priorities and Strategies

**Objectives:** The objective of the Veterans Affairs Program is to provide support for the economic, social, mental and physical well-being of veterans, their dependants and other eligible persons.

The objective of the Veterans Review and Appeal Board is to provide a review and appeal system to veterans, certain civilians, and/or their respective dependants in order to ensure they will receive the full benefits to which they are entitled.

**Priorities:** The Portfolio has three core business activities—pensions, health care and economic support—and departmental administration. To support these core activities, Veterans Affairs has identified nine strategic initiatives which, upon completion, will fulfill the organization's strategic objectives for the 1997-98 to 1999-00 time period. Performance objectives for each of these strategic initiatives have been identified for the planning horizon.

- 1- Pension Streamlining
- 2- Business Renewal
- 3- Commemoration
- 4- Veterans Affairs Cost Containment
- 5- Health Care Coordination Initiative
- 6- Veterans Health Care Needs Review
- 7- Veterans Organizations
- 8- Transfer of Ste. Anne's Hospital
- 9- Knowledge Economy Partnership

**1- Pension Streamlining:** Legislation was enacted on September 15, 1995, that streamlined the pension application and appeal process. There is a commitment to reduce turnaround times on pension applications by 50% within two years. The Portfolio was also restructured with the Bureau of Pensions Advocates (BPA) merging with the Department of Veterans Affairs, and the Canadian Pension

Commission and the Veterans Appeal Board merging into the newly-created Veterans Review and Appeal Board.

**2- Business Renewal:** Business renewal represents a group of strategic initiatives to support Veterans Affairs' key commitment of providing high quality, efficient and cost-effective service to clients. The Benefits Redesign Project, the Client-centred Service Initiative and the Corporate Services Infrastructure initiative are all aimed at modernizing and improving the Veterans Affairs' program and service delivery and are described below:

- Under the **Client-centred Service Initiative (CCSI)**, a client-centred approach to service delivery will be adopted to ensure that the Department's structure and activities are more responsive to client need and their right to be more directly involved in the care and services they receive. A new Service Delivery Model and national standards will be implemented that aim to ensure that clients and their families receive a consistent level of service no matter where they are served.
- The **Benefits Redesign Project (BRP)** proposes the development and implementation of a Client Service Delivery Network (CSDN) for the future service delivery of the Department's major programs as determined by the CCSI Model. BRP intends to use the CSDN currently being implemented in the Income Security Programs (ISP) Branch of Human Resources Development Canada (HRDC) and to modify ISP's CSDN in areas where Veterans Affairs' requirements or needs are different.

- **The Corporate Services Infrastructure** initiative addresses the need for Veterans Affairs to modernize the existing set of corporate financial, human resources and planning systems applications with a fully integrated information system that meets the transaction and decision-making needs of our corporate and program functions. Managers at all levels will be able to utilize these systems directly to generate the information they need for decision making purposes. The objective of this initiative is to eliminate duplication and redundancy of data and processes, and to combine the functionality of shared federal government systems into a consolidated framework of streamlined activities which serve business managers, departmental functions and corporate reporting requirements.

**3- Commemoration:** Veterans Affairs has a mandate to keep alive the memory of veterans' wartime achievements and sacrifices. This is a responsibility Veterans Affairs holds in trust on behalf of all who served in the wartime service of Canada. The Department will heighten awareness among Canadians of Canada's wartime achievements and sacrifices, including the legacy left by veterans of peacemaking and peacekeeping.

**4- Veterans Affairs Cost Containment:** Health care costs represent almost one-third of the Veterans Affairs budget. The Department's objective is to identify and eliminate excess, duplication and overlap on an ongoing basis, while ensuring that the quality of care to clients is not diminished.

**5- Health Care Coordination Initiative:** Veterans Affairs will continue to lead this coordinated strategy for the provision of specific health care supplies and services among participating federal departments and agencies.

**6- Veterans Health Care Needs Review:** The objective of this initiative is to examine the current and future needs of veterans and the current health care programs and services offered by Veterans Affairs Canada. The focus of this review is to identify ways to ensure veterans receive the care and support they require now and into the future.

**7- Veterans Organizations:** The Portfolio will continue its effort to sustain and strengthen its relationship with veterans organizations.

**8- Transfer of Ste. Anne's Hospital:** Ste. Anne's Hospital in Ste.-Anne-de-Bellevue, Québec, is the last remaining departmental institution. Discussions are currently underway to explore the possibility of transferring Ste. Anne's Hospital.

**9- Knowledge Economy Partnership:** Veterans Affairs is a key player in forging the partnership initiative between the federal and provincial governments on Prince Edward Island (P.E.I.). The initiative will examine federal and provincial programs on P.E.I. and determine how both levels of government, the University of Prince Edward Island, Holland College and the private sector can collaborate more effectively to provide a better service to clients in the "new economy".

#### 4. Resource Plans and Financial Tables

The Portfolio estimates approximately \$1.92 billion will be spent in 1997-98. The Department will use approximately \$1.78 billion, or 93% of the total Veterans Affairs Program budget to deliver benefits and services in the form of over \$1.142 billion in disability pensions,

\$560 million in health care and \$80.6 million in allowances and other economic support program benefits. Another \$7.7 million has been allocated to support the Veterans Review and Appeal Board Program's function of making and promulgating review and appeal decisions.

**Figure 1: Portfolio Overview**

| (millions of dollars)                                  | Planned<br>Expenditures*<br>1996-97 | <b>Planned<br/>Expenditures<br/>1997-98</b> | Planned<br>Expenditures<br>1998-99 | Planned<br>Expenditures<br>1999-00 |
|--|-------------------------------------|---|------------------------------------|------------------------------------|
| Veterans Affairs Program                               | 1,931.1                             | <b>1,913.9</b>                              | 1,877.9                            | 1,862.3                            |
| Veterans Review and Appeal<br>Board Program            | 8.0                                 | 7.7   | 7.7                                | 7.7                                |
|  | <b>1,939.1</b>                      | <b>1,921.6</b>                              | <b>1,885.6</b>                     | <b>1,870.0</b>                     |
| Less Revenue to the Vote                               | 0.0                                 | <b>0.0</b>                                  | 0.0                                | 0.0                                |
| <b>Net Planned Expenditures</b>                        | <b>1,939.1</b>                      | <b>1,921.6</b>                              | <b>1,885.6</b>                     | <b>1,870.0</b>                     |
| Less Revenue to the<br>Consolidated Revenue Fund       | (50.2)                              | <b>(43.3)</b>                               | (43.3)                             | (43.3)                             |
| Plus Cost of Services Provided<br>by other Departments |                                     |   |                                    |                                    |
| - Veterans Affairs Canada                              | 23.0                                | <b>23.0</b>                                 | 23.0                               | 23.0                               |
| - Veterans Review and Appeal<br>Board                  | 1.2                                 | <b>1.2</b>                                  | 1.2                                | 1.2                                |
| <b>Net Cost of the Portfolio</b>                       | <b>1,913.1</b>                      | <b>1,902.5</b>                              | <b>1,866.5</b>                     | <b>1,850.9</b>                     |

\* Based on the In-Year Update.

**Figure 2: Grossed Planned Expenditures by Activity for the Planning Period**

| <b>(millions of dollars)</b>     | <b>Planned</b>       | <b>Planned</b>      | <b>Planned</b> | <b>Planned</b> |
|----------------------------------|----------------------|---------------------|----------------|----------------|
| <b>Activities</b>                | <b>Expenditures*</b> | <b>Expenditures</b> | <b>1998-99</b> | <b>1999-00</b> |
|                                  | <b>1996-97</b>       | <b>1997-98</b>      |                |                |
| <b>Veterans Affairs Program</b>  |                      |                     |                |                |
| Health Care                      | 604.6                | <b>620.2</b>        | 599.2          | 594.4          |
| Pensions                         | 1,176.5              | <b>1,166.7</b>      | 1,160.8        | 1,160.9        |
| Economic Support                 | 116.2                | <b>96.1</b>         | 86.9           | 75.9           |
| Departmental Administration      | 33.8                 | <b>30.9</b>         | 31.0           | 31.1           |
| <b>Total Veterans Affairs</b>    |                      |                     |                |                |
| <b>Program</b>                   | <b>1,931.1</b>       | <b>1,913.9</b>      | <b>1,877.9</b> | <b>1,862.3</b> |
| <b>Total Veterans Review and</b> |                      |                     |                |                |
| <b>Appeal Board Program</b>      | <b>8.0</b>           | <b>7.7</b>          | <b>7.7</b>     | <b>7.7</b>     |
| <b>Gross Portfolio Planned</b>   |                      |                     |                |                |
| <b>Expenditure</b>               | <b>1,939.1</b>       | <b>1,921.6</b>      | <b>1,885.6</b> | <b>1,870.0</b> |

\* Based on the In-Year Update.

Additional information on Veterans Affairs' spending authorities and vote wording can be found in the Supplementary Information section, on pages 33 and 34.

**Figure 3: Planned Expenditure Detail by Activity for 1997-98**

| (\$millions)  | FTE          | Budgetary    |            |                             |                | Statutory<br>Items | Non-budgetary<br>Loans<br>Investments<br>and Advances | Gross<br>Planned<br>Expenditures | Less:<br>Revenue<br>Credited to<br>the Vote | Net<br>Planned<br>Expenditures |
|---|--------------|--------------|------------|-----------------------------|----------------|--------------------|---|----------------------------------|---|--------------------------------|
|   |              | Operating    | Capital    | Grants and<br>Contributions | Gross<br>Voted |                    |   |                                  |   |                                |
| <b>Veterans Affairs</b>                             |              |              |            |                             |                |                    |   |                                  |   |                                |
| <b>Canada</b>                                       |              |              |            |                             |                |                    |   |                                  |   |                                |
| Health Care   | 2,019        | 440.3        | 0.0        | 165.6                       | 605.9          | 14.3               | 0.0   | 620.2                            | 0.0   | 620.3                          |
| Pensions  | 450          | 22.5         | 0.0        | 1,140.8                     | 1,163.3        | 3.4                | 0.0   | 1,166.7                          | 0.0   | 1,166.7                        |
| Economic  |              |              |            |                             |                |                    |   |                                  |   |                                |
| Support   | 299          | 22.7         | 0.0        | 71.2                        | 93.9           | 2.2                | 0.0   | 96.1                             | 0.0   | 96.1                           |
| Departmental  |              |              |            |                             |                |                    |   |                                  |   |                                |
| Administration                                      | 444          | 27.7         | 0.0        | 0.0                         | 27.7           | 3.2                | 0.0   | 30.9                             | 0.0   | 30.9                           |
| <b>Total Planned Expenditure</b>                    |              |              |            |                             |                |                    |   |                                  |   |                                |
| <b>- Department</b>                                 | <b>3,212</b> | <b>513.2</b> | <b>0.0</b> | <b>1,377.6</b>              | <b>1,890.8</b> | <b>23.1</b>        | <b>0.0</b>  | <b>1,913.9</b>                   | <b>0.0</b>                                  | <b>1,913.9</b>                 |
| <b>Veterans Review and Appeal Board</b>             |              |              |            |                             |                |                    |   |                                  |   |                                |
| Pensions  | 105          | 6.7          | 0.0        | 0.0                         | 6.7            | 1.0                | 0.0   | 7.7                              | 0.0   | 7.7                            |
| <b>Total Planned Expenditure</b>                    |              |              |            |                             |                |                    |   |                                  |   |                                |
| <b>- Agency</b>                                     | <b>105</b>   | <b>6.7</b>   | <b>0.0</b> | <b>0.0</b>                  | <b>6.7</b>     | <b>1.0</b>         | <b>0.0</b>  | <b>7.7</b>                       | <b>0.0</b>                                  | <b>7.7</b>                     |
| <b>Total Planned Expenditures for the Portfolio</b> | <b>3,317</b> | <b>519.9</b> | <b>0.0</b> | <b>1,377.6</b>              | <b>1,897.5</b> | <b>24.1</b>        | <b>0.0</b>  | <b>1,921.6</b>                   | <b>0.0</b>                                  | <b>1,921.6</b>                 |

## 5. Key Planning Factors

**Planning Assumptions:** The plans and priorities proposed for the 1997-98 to 1999-2000 fiscal years are based on the following planning assumptions:

- the Veterans Affairs Portfolio will operate as a distinct organization;
- the Mission Statement for the organization will remain valid;
- eligibility criteria for benefits and services will remain unchanged;
- fiscal restraint may result in further reductions to reference levels for dollars and FTEs; and
- challenges to the Portfolio's legislation presently before the courts will not result in a change of eligibility for entitlement to benefits and services.

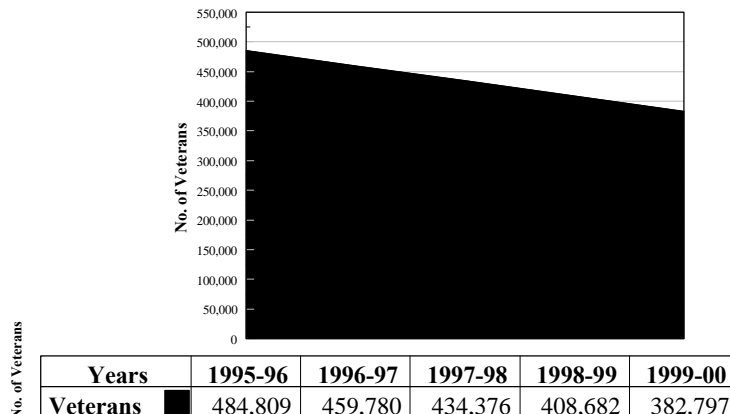
### External Factors Influencing the Program:

- **Client Base:** Of the 1,750,000 men and women who served in wartime for Canada, 116,000 died and approximately 229,000 were wounded as a result of war. Veterans Affairs Canada is responsible for commemorating their sacrifice and for assisting eligible Canadians who belong to the following client groups:

- Armed Forces and Merchant Navy veterans who served in the First World War, the Second World War or the Korean War;
- certain civilians who are entitled to benefits because of their wartime service;
- former (and, in certain cases, current) members of Canada's Regular Forces (including those who have served in Special Duty Areas), and the Reserve Forces of Canada;
- survivors and dependants of the above; and,
- former (and, in certain cases, current) members of the Royal Canadian Mounted Police.

At March 31, 1997, there are expected to be approximately 460,000 veterans. It is estimated that, by the end of 1997-98, Canada's veteran population will be 434,000, 42,500 of whom will be women. Their average age will be 76. The forecast of the veteran population is expected to decrease to approximately 383,000 by March 2000 (39,100 women) at which time their average age will be 78. In Canada, one in four males over the age of 65 is a veteran.

**Figure 4: Forecast of the Veteran Population (1995-96 to 1999-2000)**

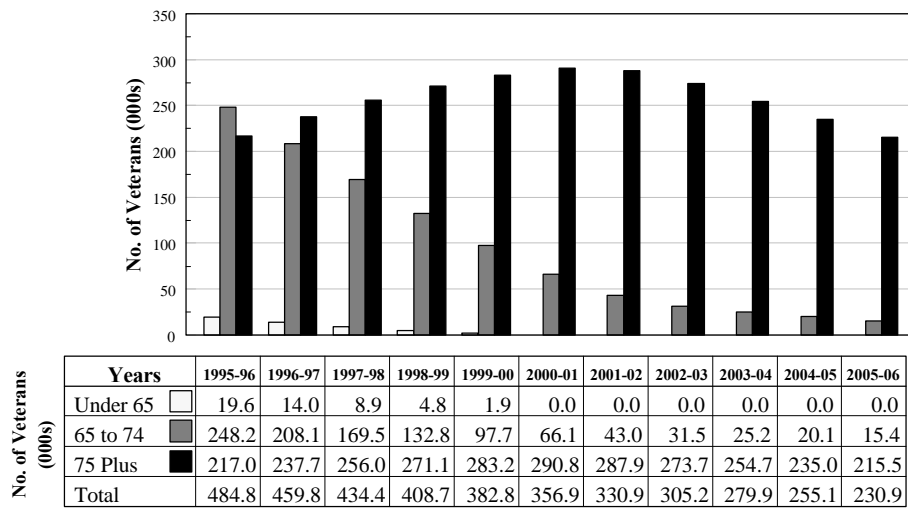


Demographic analysis of the client base indicates that those veterans requiring our services and benefits will do so more intensively as they age.

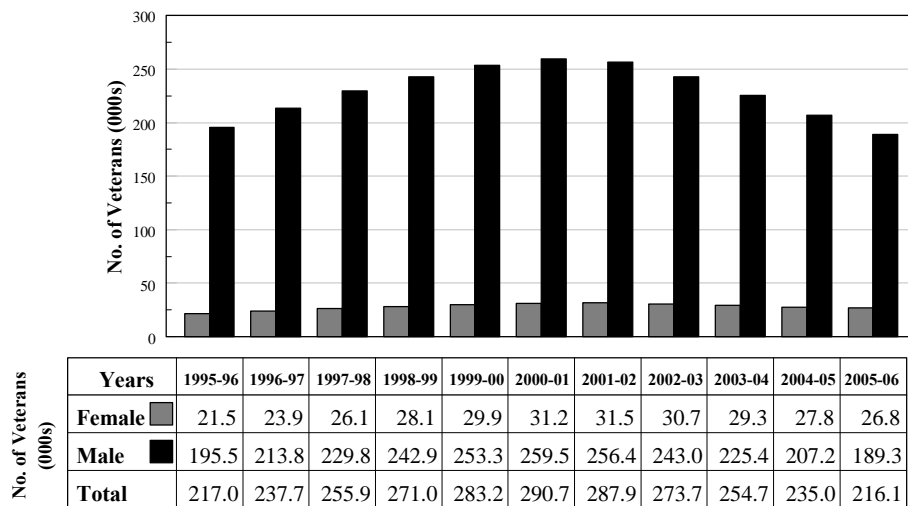
Of Canada's total estimated veteran population (434,000), 59% will be 75 years of age or older, 39% will be between the

ages of 65 to 74 and 2% will be under 65 years of age. The charts below present an overview of the aging trend of the veteran population by age category from the fiscal years 1995-96 to 2000-2006 and the aging trend for Canadian male/female veterans aged 75 years and over.

**Figure 5: Aging Trend of Veterans by Age Category**



**Figure 6: Aging Trend of Canadian Veteran Population Aged 75 and Over**

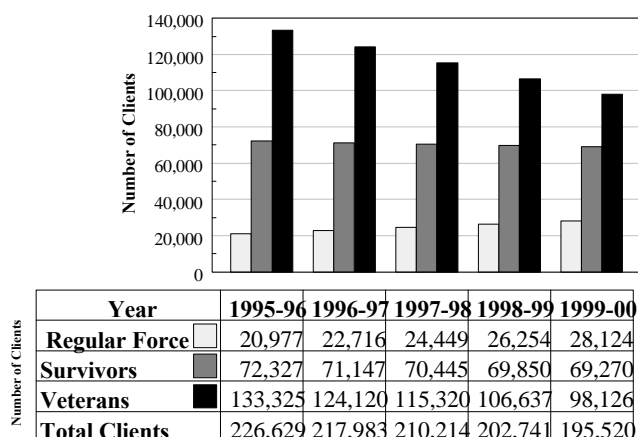




Of the total forecast of the veteran population (434,000), 115,000 will receive a service or benefit from the Department in 1997-98. In addition, a further 70,000 survivors will be in receipt of benefits.

Other non-veteran groups such as ex-members of Canada's Regular Forces are estimated to represent an additional 24,000 clients.

**Figure 7: Forecast of Veterans Affairs Clients by Type (1995-96 to 1999-2000)**



Although the national veteran population of Canada is expected to decline by approximately 17% between April 1997

and March 2000, the Department's total client population is forecast to decrease by approximately only 10% over the same period.

**Figure 8: Percentage of Change in the National Veteran Population**

|         | Veteran Population | Percent Change from 1996-97 |
|---------|--------------------|-----------------------------|
| 1996-97 | 459,780            | 0.0%                        |
| 1997-98 | 434,376            | 5.5%                        |
| 1998-99 | 408,682            | 11.1%                       |
| 1999-00 | 382,797            | 16.7%                       |

**Figure 9: Percentage Change of Veterans Affairs Client Population**

|         | Client Population | Percent Change from 1996-97 |
|---------|-------------------|-----------------------------|
| 1996-97 | 217,983           | 0.0%                        |
| 1997-98 | 210,214           | 3.6%                        |
| 1998-99 | 202,740           | 7.0%                        |
| 1999-00 | 195,521           | 10.3%                       |

The veteran population forecasts were amended in March 1996 to reflect revised “Life Tables” for 1991-92 received from Statistics Canada. These revised forecasts for Veterans Affairs’ clients continue to be based on projections of historical and demographic data and assume there will be no major policy, legislative or social changes and that future trends will continue to mirror past trends or demographic projections.

Program forecasts for most major Portfolio programs indicate that clients and expenditures will decline at a relatively stable rate over the short term—to the fiscal year 2000-2001— and will continue to decrease during the following 15 years. One exception to this trend is War Veterans Allowance, where forecasts indicate the program will experience a significant drop in veteran clients and expenditures in the near future (see Figures 10 to 13, on page 14).

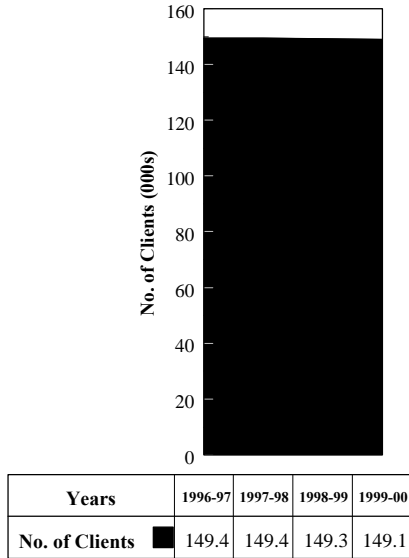
The impact of providing services to an aging clientele will be felt in a number of ways:

- the pensioned conditions of veterans are becoming aggravated or new medical conditions are arising which result in additional workload;
- the demand for health care services will increase in the short term, as the predominantly home-based veteran clients will need additional services;
- the demand for institutional care will increase in the long term, as veterans move from home care to nursing home and chronic care in community and contract institutions;
- the demand for war veterans allowances will decrease in the near future as veterans reach the age of 65 and, if eligible, will receive other seniors’ benefits, such as Canada Pension Plan, Old Age Security and Guaranteed Income Security;

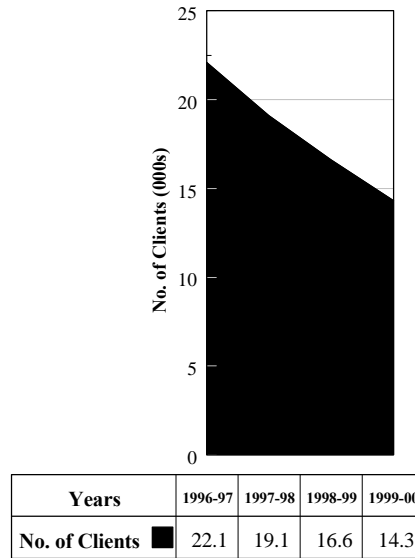
- the reorganization of the delivery of health services and, in some cases, their devolution from the provincial level to local levels will create additional challenges for Veterans Affairs in the provision and coordination of health care;
- program delivery activities will change in conjunction with demographic trends:
  - home-based clients will need more complex, labour-intensive, individualized attention. Counsellors and social/community supports will be required to continually network with service providers and health professionals outside Veterans Affairs to ensure that care plans that meet each veteran's specific needs are developed, implemented and followed; and,
  - institutionalized clients will need services very different from their home-based counterparts, possibly altering the role of counsellors and the associated service delivery infrastructure geared to supporting counselling efforts;
- in addition to tailoring products to specific client needs (e.g. large print), traditional communication methods need to be augmented for an elderly clientele by more personal contact.

- **Judicial and Legal Factors:** Veterans Affairs legislation is presently the subject of litigation (including Charter challenges) in a number of cases. The issues involved are major and decisions in favour of the plaintiffs would have significant financial consequence for the Government.

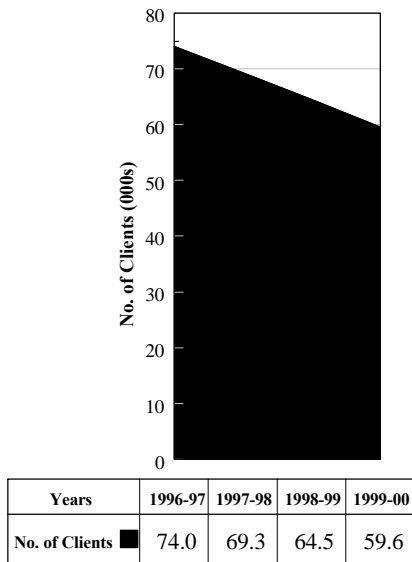
**Figure 10: Client Forecast - Pensions Program**  
(as at December 31, 1996)



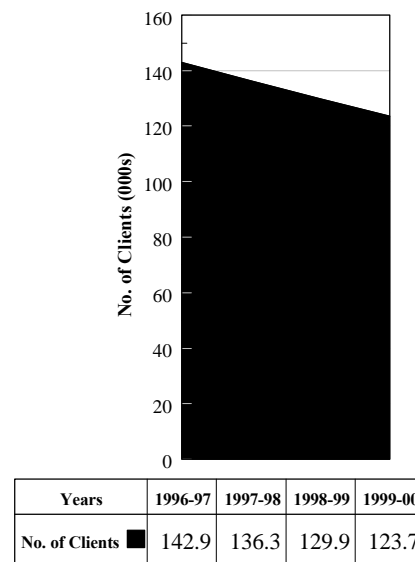
**Figure 11: Client Forecast - War Veterans Allowance Program**  
(as at December 31, 1996)



**Figure 12: Client Forecast - Veterans Independence Program**  
(as at December 31, 1996)



**Figure 13: Client Forecast - Treatment Accounts Processing Program**  
(as at December 31, 1996)



- **The Canadian Economy:** Continued fiscal restraint pressures the Portfolio to lower costs and improve efficiency.

Inflation directly affects benefit expenditures because pension and allowance benefits administered by the Veterans Affairs Program are indexed to the cost of living.

- **Government Initiatives and Priorities:** Veterans Affairs is an active participant in the Government's Quality Services Initiative which increases the focus on service delivery to Canadians and seeks to measurably improve client satisfaction and the quality of accessible, affordable and responsive services provided to Canadians. The Department has published a service standards brochure, entitled "At Your Service", which identifies the standards of service its clients may expect to receive.

Veterans Affairs is taking a proactive role in implementing sustainable development initiatives in order to comply with recent changes to legislation and government policy aimed at "greening" government activities and supporting good environmental practices.

## 6. Corporate Communications

Communications plays a key role in explaining and demonstrating the relevance and value of Portfolio policies and programs to a wide variety of audiences, including clients, stakeholders, Central Agencies, staff and unions, politicians and media. Stakeholders must be kept informed about strategic initiatives so that they are better able to participate in decisions relating to the long-term direction of the Portfolio. An increasingly aged population requires targeted, consistent, clear, and easily understood information about changes to programs and services. Canada's youth must be better educated about the valuable lessons to be learned from veterans' involvement in two major world conflict, the Korean War, and international peacekeeping activities, using the most appropriate vehicles—via Internet, CD Rom, interactive exhibits or school curriculum.

## C. Plans and Priorities by Activity

Veterans Affairs' Operational Plan Framework (OPF) currently identifies two programs (Veterans Affairs and Veterans Review and Appeal Board) and four program activities: health care, pensions, economic support and departmental administration. The OPF will be replaced by April 1998 with a Planning, Reporting and Accountability Structure document which will better represent the programs and activities. Listed in this section are the Portfolio's nine strategic objectives and priorities as they relate to the current OPF activity structure.

### 1. Health Care

**Activity Objective:** To provide veterans and other eligible persons with health and social services, including advice and information, needs assessment, referrals, and benefit administration and delivery.

**Operating Context:** Approximately 96 percent of all veterans are over 65 years of age and their needs have shifted to problems associated with aging, such as chronic ill-health, frailty and loss of mobility. A high proportion of veteran clients are disabled. As they age, many veterans experience increased vulnerability and dependence on others, such as family members, friends, community organizations or public institutions.

It is recognized that health promotion can play a significant part in improving the quality of life of members of the veterans community and help in maintaining their independence. With the aging of the veteran population, health promotion has been identified as a key priority area. In partnership with other levels of government and non-government organizations, Veterans

Affairs will be exploring health promotion pilot projects aimed at helping veterans help themselves, with emphasis on maintaining independence, preventing illness and improving health and quality of life.

### Key Initiatives:

**Veterans Affairs Cost Containment Initiative:** The Health Care Division initiated extensive consultation with field staff to identify and resolve impediments to cost-effective delivery of the Veterans Independence Program (VIP) and Other Health Purchased Services (OHPS).

The ongoing OHPS review focuses on financial and frequency limits for transactions in a number of health and treatment benefits and services, as well as a revision to the dental care policy.

A comprehensive needs-based review of the pharmacy program is under way. It will focus on meeting client needs on a medical basis thereby ensuring positive outcomes.

To date, the cost containment process has not only had a significant effect on expenditures, but more importantly has increased staff awareness of the need for cost containment, and of the significant link between cost containment and "needs-based" health care. This exercise has left the Department with an approach to appropriately respond to the requirement to contain costs without diminishing the quality of care to clients.

**Change Management Issues:** The needs-based approach requires increasing involvement by field level staff in assessing client need through case management. This requires a highly professional field staff with increased utilization of nurses, doctors, health care team members as well as consulting professionals such as occupational therapists. Increased

delegation of authority provides field staff with the discretion necessary to make decisions that respond best to client needs.

Changes to the Treatment Accounts Processing System (TAPS) were made to enhance controls in benefit provision, such as increased system functionality, control features, improved reporting features, new on-line capabilities for benefit grids, and new capacity for discretionary regional ad-hoc reporting capability. The wide area network platform was used to provide an on-line policy manual.

Veterans will continue to receive quality health care benefits which fully meet their needs in the most reasonable and cost effective manner.

**Results Expectations:** Clients are provided with the necessary and least costly health care benefits that meet their needs. A variety of controls are being implemented which limit the range and/or provision of benefits and services including:

- frequency limits, dollar caps, and requirement for pre-authorization for exceptional needs on selected health care benefits (such as dental, drug, etc.);
- control of supplier-driven demand for expensive equipment through more independent and reliable assessments, refocused equipment purchases more toward client need rather than supplier recommendations;
- frequency limits and per-visit dollar limits are applied to other related health services (e.g. physiotherapy). Needs-based criteria, supported by treatment plans, will have to be met before limits are exceeded; and
- frequency limits, price caps, and required service standards for audio products and services (achieved through negotiation of better supplier

agreements).

**Health Care Coordination Initiative (HCCI):** Recognizing the substantial opportunities for collective effort among departments and agencies, the Treasury Board requested Veterans Affairs Canada to lead the Health Care Coordination Initiative (HCCI). The aim of the HCCI is to implement a coordinated strategy for the provision of a satisfactory level of specific health care supplies and services to federal clients at the lowest possible cost through co-ordination of effort among participating federal departments and agencies. The initial areas of interest have been prescription drugs, dental care and vision care, though other areas have emerged such as audiology, oxygen therapy as well as certain insured health services. Moreover, the Initiative has assumed a leading role in the development of a broader health services strategy for federal clients with respect to provincial programs.

The federal departments and agencies participating in the Initiative are:

Veterans Affairs; Health; National Defence; Correctional Service; Royal Canadian Mounted Police; Citizenship and Immigration; Public Works and Government Services; Canadian International Development Agency; and the Treasury Board Secretariat.

**Change Management Issues:** The following factors are key to the success of the Health Care Coordination Initiative:

- building effective interfaces among the many stakeholders involved in the Initiative;
- increasing the compatibility of data, processes and systems used by participating departments;
- increasing internal manager

acceptance of pursuing savings on an inter-departmental sector basis rather than on a strictly departmental program basis; and

- establishing simple mechanisms for inter-departmental collaboration to occur.

**Results Expectations:** The Health Care Coordination Initiative has already improved, and is expected to continue to improve, the collective purchasing power of departments and agencies which provide health services by:

- achieving an in-depth understanding of health service currently available and provided to federal clients;
- creating a competitive purchasing environment;
- improving information sharing and collective decision making; and,
- implementing collective federal negotiation and tendering processes.

**Transfer of Ste. Anne's Hospital:** Ste. Anne's Hospital, situated in Ste.-Anne-de-Bellevue, Québec, is the last remaining Hospital operated exclusively by Veterans Affairs. This long-term care Hospital utilizes approximately 1,000 FTEs and administers approximately 650 active beds.

In December 1995 a formal project team was formed to manage the discussions and negotiations for the potential transfer of the hospital.

The objective of this initiative is to ensure that eligible veterans continue to have access to quality long-term care services, consistent with those provided to veterans across Canada.

**Change Management Issues:** To achieve a successful transfer, it will be necessary to have effective communication with internal and external stakeholders.

Stakeholders will continue to be apprised of the project's activities and progress through briefings and updates.

During this period of discussions and subsequent negotiations and transfer, there can be no reduction in the level and quality of care provided to the veteran clients.

The differences in the pay and benefits structures between federal and provincial jurisdictions will require the equitable resolution of staffing, compensation and workforce adjustment issues.

**Results Expectations:** A transfer to provincial jurisdiction within a reasonable amount of time.

#### **Veterans Health Care Needs**

**Review:** The objective of the Veterans Health Care Needs Review initiative is to determine the care requirements of an elderly client group and develop strategies for best meeting their continuum of care needs; and to determine more precisely the future needs of Departmental clients, their potential demands for services, implement improved cost and quality control measures and develop more effective partnerships with provincial governments.

Veterans Affairs has the challenge of ensuring that the aging veteran population has access to an integrated and flexible program of health and support services. The average age of veterans admitted to long-term care facilities is now 80 years. The health care needs of veterans have increased with a higher level of both physical and cognitive impairment, associated with aging. Consequently, there is an increasing demand from veterans for access to health care, and to services which support care in the home or provide long-term care in suitable facilities. The challenge for Veterans Affairs is to ensure

that programs for veterans facilitate continuity of care while using multiple service providers.

As a result of health reform and the national and provincial budget reductions, there have been significant changes affecting the provision of provincial health care services. Most provinces have undertaken comprehensive reviews of their respective health care delivery systems and have implemented, or are in the process of implementing new approaches to delivery of health care, including long term care. These changes have the potential to significantly affect the services available to veterans.

**Change Management Issues:** There are a number of environmental issues within which the Review is being undertaken, including aging of the community, changes in health care practices, financial restraint, and provincial health care reforms.

The review commences from the position that the Department will remain in the business of providing health care and support services to eligible veterans. The challenge is to ensure the programs provided are relevant to the needs of the veteran population.

Veterans as a group are aging rapidly. This is in keeping with the aging of the Canadian population. Consequently, there is a growing demand for health care for conditions associated with age. There is a trend within the community for persons to prefer to remain in their own home rather than to enter a residential facility for care, resulting in an increasing demand for home support to assist them to maintain their independence in their own home. Consequently, provincial health care services are having to adapt to meet these changing needs. VAC programs similarly may need to be adjusted.

Canada has a continuing focus of cost-restraint in its programs. The Review will identify where Veterans Affairs can most effectively use its available resources by reducing duplication and where it can “add value” to the care of veterans.

Provincial health care reforms are having a significant impact on the availability of services for veterans as residents of a province. The Review must consider the future planning for health care and long-term care in each Province, and where necessary in regions, and identify the possible implications for veteran care in developing options for programs. Consequently, consultation with the Provincial ministries is critical to the process.

Consultations will occur within the information gathering phase with all stakeholders.

**Results Expectations:** The focus of this review will not be on cost-cutting, but rather on identifying ways to ensure veterans receive the care and support they require now and into the future. The aim is to ensure appropriate programs/services are provided in the most cost-effective manner by reducing duplication and by removing program or administrative impediments which limit capability to meet the identified needs of veterans. The review will:

- identify and examine the health care needs of veterans including their projected requirement for institutional care;
- examine the current programs and policies to determine their effect on veterans' access to programs/services to meet their continuing care needs;



- develop an understanding of the current and planned approach to continuing care, including institutional care, within each province;
- examine the impact of these provincial programs on the approach to provision of programs/services for veterans;
- determine the most appropriate mechanism for providing continuing care, specifically long-term institutional care, and identify VAC's role in the provision of these;
- identify the programs/services where VAC can "add value" to veteran care;
- develop mechanisms for monitoring the quality and cost of care received by veterans, including that provided in long-term care institutions; and
- develop a strategy including time-frame for the implementation of the recommendations.

## 2. Pensions

**Activity Objective:** To provide veterans and other eligible persons with disability pension benefits and services, including advice, information, legal advocacy, adjudication, medical examination and benefit delivery.

**Operating Context:** Since 1917, numerous legislative changes resulted in a system that became complex and slow. The Secretary of State (Veterans) introduced changes to veterans legislation to reduce turnaround times by 50% without affecting veterans' pension benefits or their rights of appeal.

### Key Initiative:

**Pension Streamlining:** Bill C-67, an *Act to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other Acts and to repeal the Veterans Appeal Board Act*, was introduced in the House of Commons in December 1994 and was enacted on September 15, 1995.

The goal of these legislative changes and the resultant pension streamlining is to reduce turnaround time for the disability pension process by 50 percent within two years of the date the legislation was enacted (September 15, 1997). The most significant changes made were to adjudicate first decisions within the Department, to create an amalgamated appeal board, to concentrate resources of the Bureau of Pensions Advocates on appeals only, and to provide counselling and submission of applications from within the Department.

Service improvements are on track through the empowerment of Departmental employees and the simplification of work processes. A system was implemented to track turnaround times, enabling the development and monitoring of service

standards. After 18 months under the new legislation:

- the number of adjudications of first decisions is exceeding pre-reform levels;
- VRAB reviews and appeals heard are exceeding pre-reform levels; and,
- turnaround times have improved and are on target to meet the 50% reduction by September 15, 1997.

**Change Management Issues:** The improvement in turnaround times is resulting in payments being made earlier for any given claim. All payments are retroactive to the date of application, this will not result in any additional long-term costs to the government. However, there will be a forward-shift of up to \$38.6 million from future years to 1997-98 and 1998-99.

There has been a change in the mix of staff in Head Office as new processes were implemented. This is resulting in some staff reclassifications, realignment of activities and some downsizing.

Some of the targeted reduction in turnaround times is resulting from new technological processes. Existing mainframe and Local Area Network systems have been adapted to the new pension processes. Electronic forms have been implemented and a pilot project for electronic document management is underway. The use of electronic forms has expanded throughout the organization and are being integrated with databases.

The implementation of electronic signatures is dependant upon the successful completion of the government Public Key Infrastructure (PKI) which is due in 1997.

**Results Expectations:** The Portfolio is making good progress towards the September 1997 objective of reducing turnaround times by 50 percent. The attainment of a new level of service for disability pensions will mark the completion of the first key strategy within the first element in Veterans Affairs' key result commitment (see page 2).

### 3. Economic Support

**Activity Objective:** To provide veterans and other eligible persons with economic support, including advice and information, benefit delivery, advocacy and redress; and to undertake commemorative activities.

**Operating Context:** There are several sub-activities grouped together in the Economic Support Activity within the current Operational Plan Framework (OPF), the major ones being the War Veterans Allowance program and the Commemoration program. The client population for the War Veterans Allowance Program is declining rapidly, thus reducing workload. However, the Commemoration program is being refocused and new awareness programs are initiated. Veterans Affairs intends to amend its activity structure, through the Planning, Reporting and Accountability Structure, to include the Commemoration program as a separate business line.

#### **Key Initiative:**

- **Commemoration:** Commemoration is one of the three key program areas of the Department, along with Health Care and Pensions. Commemoration activities include a strong communications element. Communications Division will require additional resources to provide support to an enhanced commemoration program. The large scale success of the Canada Remembers Program (1993 to 1995), which was an extension of Veterans Affairs ongoing commemoration activities, has changed the commemoration program forever.

The public outpouring of support, acknowledgement and respect engendered by our Commemorative activities during the Canada Remembers Program, coupled with the preliminary findings of a program

evaluation conducted on Commemoration, has led the Department to re-examine how it carries out this critical function which has captured the interest of so many Canadians from one coast to the other.

Veterans will soon have an average age of 76. World War I veterans now number less than 1,000 and are aged 98 years on average. They will not be able to carry on the message of Canada's role in maintaining world peace much longer.

School curriculum and textbooks, in particular, have very little on Canada's role in world war and peace actions. Few other media are available to foster an understanding of our heritage nor to give it the importance it deserves.

The objective of the Commemoration initiatives is to keep the memory of the achievements of Canadian veterans alive so that future generations will have an awareness of the accomplishments of Canadian citizens-in-arms in the defence of freedom and the development of Canada as a nation. Emphasis will also be devoted to keeping alive the legacy left by veterans of peacemaking and peacekeeping.

#### **Change Management Issues:**

Veterans Affairs will continue to meet its obligations to veterans, their families and all Canadians. With the introduction of the Education and Awareness component, it is expected that greater emphasis will be given to global, national, provincial and community commemoration activities.

The following factors will be key to the success of this initiative:

- maintenance of the awareness of veterans' achievements and sacrifices, as indicated by a positive public reaction to commemorative events;
- determination of a clear mandate,

- objectives and long-term direction;
- the creation of an organizational structure that is flexible to adapt to the changing program focus for this activity; and
- the involvement of youth will be critical to keep the memories alive.

Veterans Affairs is the trustee for 13 battlefield memorials in Europe, two of which are historically important battlefield parks. As well, Canada is a strong contributor to the Commonwealth War Graves Commission (CWGC), which maintains the memory of 110,000 Canadians who died in action in seventy countries around the world. Steps will be taken to increase Canadians' awareness and understanding of the significance Canada's overseas memorials.

#### **Results Expectations:**

- Completion, by the summer of 1997, of a plan which will demonstrate how commemoration will significantly add to Canadians's perceptions of themselves as citizens of a unique and very important country.
- Alignment of programs and activities specifically designed to promote, educate and sustain the memory of Canadians with respect to the invaluable contributions of their veterans.
- The Last Post Fund, the Royal Canadian Legion and other interested groups will be engaged in raising consciousness in Canada as to what we have accomplished. Items such as a written history of the Last Post Fund will be available for curriculum use or historical reference.
- Possible Alternative Service Delivery (ASD) mechanisms will be explored with the Last Post Fund regarding the delivery of all funeral and burial services.

- Canadians, especially youth, will continue to participate in visits to commemorative sites as a way to give them an understanding of the significance of the Canadian achievements.
- An education initiative has been undertaken for WWII and will be expanded to cover WWI, Korea and peace keeping actions. New technologies will be used to enhance teaching and learning including the current information package, CD-ROM technology, interactive innovations, partnerships with universities and the War Museum and links via satellite and virtual reality video and audio tours to our battlefield sites.
- Vimy and Beaumont-Hamel will be subject to site preservation, development and historical interpretation through a partnership with Parks Canada. Tours will be organized from Canada via school programs and commercial tours.
- Communications support to commemorative activities will include:
  - VAC's website will be enhanced to include access to the Commonwealth War Graves Commission (CWGC) database from which VAC will make available search capabilities for veterans, families and interested parties. Other technological media, such as SchoolNet, will be utilized to display information of commemorative memorabilia.
  - Audio and video interviews with veterans are being recorded, and will be available as a permanent record of these men and women, to be shared in whatever information media

are most appropriate.  
Photographs and reference  
bibliographies will be assembled  
to assist in research and  
preparation of papers and  
presentations.

- Veterans Affairs will seek the  
declaration of Veterans' Week  
again in 1997.

#### 4. Departmental Administration

**Activity Objective:** To provide executive direction and services to the Veterans Affairs Program as well as property contract management under the terms of the *Veterans Land Act* and *Regulations*.

Plans and priorities which relate to more than one program activity or supporting the infrastructure used by the Portfolio in delivering its programs and services are reported in this section.

**Operating Context:** Departmental Administration initiatives are modernizing Veterans Affairs' service delivery processes and systems to ensure the timely delivery of benefits and services. Building on the government-wide strategies for quality service, human resource management, shared federal systems, these key initiatives will ensure the Portfolio's systems and processes are able to respond to the changes emanating from the program initiatives previously discussed.

##### Key Initiatives:

**Business Renewal Initiatives:** The business renewal strategy focuses upon the themes of modernization, client centred service and continuous improvement. The philosophy of business renewal is inherent within a majority of initiatives currently underway; however, the Department has undertaken three key strategic initiatives which serve to focus this strategy. The *Client Centred Service Initiative (CCSI)* will ensure the Department is able to meet the more complex needs of clients as they age, through an enhanced service delivery model. The *Benefits Redesign Project (BRP)* will modernize the Department's technical infrastructure in order to support changing client service delivery

requirements. The *Corporate Services Infrastructure* initiative will integrate enhancements to corporate systems and processes required to meet changing program delivery needs as well as government-wide priorities.

The Department strives to develop an open philosophy of communications which effectively markets business renewal as a coordinated effort, to market ongoing achievements and to create a sense of understanding and acceptance by employees, of the organization's goals and aspirations.

**a) Client-centred Service Initiative (CCSI):** The Client-centred Service Initiative was established in 1996 to enable staff to continue to provide quality service to clients needing more diverse and intensive care. The Initiative is based on a client-centred approach in which the Department's structure and activities are more responsive to client needs and their right to be more directly involved in the kinds of care and services they receive. Client-centred service will have a direct impact on all the Department's programs and services through the adoption of a client-centred service delivery model, national standards for service and the promotion of standardized work processes. By placing the client at the centre of our business, the Department will ensure that clients receive the right service, at the right time, by the right person.

Veterans Services Branch has taken a lead role in directing this Initiative. Committees comprised of experienced service delivery people from all levels of the Department carry out CCSI-related activities. Work directly influences the development of the Client Service Delivery Network (CSDN) for which the Benefits Redesign Project is responsible.

The objective of the CCSI is to ensure that the Department is able to meet the more complex needs of veterans as they age, including the needs of their families, caregivers and other clients, like members of the Regular Force. CCSI will enable higher needs clients to get better and more timely service.

**Change Management Issues:** The aging demographic profile of the veteran population together with the increasingly complex cases presented by Regular Force members present demands for increasing levels of service in a time when constraints are restricting efforts throughout the public sector. As result of cost containment efforts and health care reform in the provinces, veterans are looking increasingly to VAC for support -- especially for those specialized services uniquely provided by the Department such as assessment, advocacy, health, safety and education, case coordination and case planning.

In responding to these service challenges, CCSI will have a fundamental impact on all the Department's programs and services, its organizational structure and business processes, corporate support systems, management processes, culture and operating principles. With the client as the central driving force for our business, success will no longer be measured strictly in terms of output alone; it will be viewed through the eyes of the client and their level of satisfaction with the service outcome.

The effective management of human resources will play a critical role in this regard. VAC is recognized for the personalized, quality service it provides its clients and implementing a client-centred approach supports the allocation of staff and financial resources where they are needed most by our clients. This will mean changes in staff roles that will prove more rewarding for staff and clients. Staff are dealing with the

needs of young families as well as veterans. Effectively meeting the needs of this diverse client group requires more staff time, greater knowledge, specialized skill and expertise together with increased efforts directed at the coordination of community resources. As we move towards an organization characterized by empowered staff with accountability for consistency in service delivery, employees will be provided with the necessary training, tools, resources and authority needed to assume new responsibilities. Managers continue to play a key role in this respect by building effective teams and promoting collaboration in a client-centred environment .

Successful implementation of CCSI requires effective internal and external communication with stakeholders. A communications strategy has been developed to provide a framework for communicating issues arising from VAC's evolution in the delivery of its services. As client-centred service has become the broad-based theme inherent in all departmental initiatives, it is of critical importance to effectively demonstrate the integration of CCSI activities with those underway in other departmental initiatives such as the Benefits Redesign Project.

**Results Expectations:** A critical factor in the success of CCSI will be our ability to determine the needs of clients when they contact us. This means doing our screening in a whole new way—based on the Service Delivery Model. Staff will be provided with a new screening tool which will require a commitment to listen and more precisely determine the physical, social, and other needs of the clients.

CCSI will provide for the integration of best practices in the client services field and will offer all our clients a level of service appropriate to their need. It will ensure that clients receive the right service



or programs benefit, at the right time, from the right staff person. In short, CCSI will enable higher needs clients to get better and more timely service based on a set of national standards and brings the Department closer to providing a single point of entry to access programs and services. It will also encourage appropriate and efficient use of resources and provide accountability for consistency in service delivery.

The client-centred service approach actively promotes expanding partnership opportunities and strong community support networks and is consistent with demands from veterans and other client organizations for more direct involvement in the kinds of care and services they receive. CCSI forms the basis for a new partnership between VAC and its constituents and provides the organization with unique skills and expertise that add to the Department's well-deserved reputation for service excellence and effectively positions it to be a leader in field of aging.

**b) Benefits Redesign Project:** The Benefits Redesign Project (BRP) was initiated in April 1993 to determine whether there was an opportunity to meet Veterans Affairs' client service delivery needs by working in partnership with the Income Security Programs (ISP) Branch of Human Resources Development Canada. The conclusion reached was that partnering appeared both feasible and beneficial.

BRP is a Major Crown Project that is being carried out in phases. The first phase (*the Concept Phase*) was completed in February 1995. As a result, Veterans Affairs decided to meet its future requirements by using a modified version of the ISP Client Service Delivery Network (CSDN).

The CSDN is the integration of the work functions (the work we do), the information technology (the tools and information we use to do the work), and the organization (how we interact with our clients and each other) that best supports delivery of services to clients. The CSDN is operated and managed by people who are client-focused, knowledgeable and who have a clear and common understanding of quality service delivery.

In February 1995, Treasury Board gave approval to proceed with the second phase (*the Definition Phase*) in two parts. The first part of the Definition Phase is completed and resulted in the development of a Statement of Requirements which describes Veterans Affairs future requirements for delivering benefits and services to clients.

Subject to Treasury Board approval, the Definition Phase (which will result in the design specifications for the CSDN) will be completed and then the project will proceed to the Implementation Phase in accordance with Treasury Board's Major Crown Project policy and the Enhanced Framework for the Management of Information Technology Projects.

**Change Management Issues:** Implementation of the CSDN will take place in a number of releases. The timing and scope of these releases is driven, in large part, by the Department's need to address the computer systems problems relating to the Year 2000.

The following principles will provide direction and guidance for transition:

- minimal disruptions of client service;
- fair and equitable treatment of employees;

- stakeholders will be regularly updated;
- total project duration must be appropriately correlated with client demographics; and
- mitigation measures will be incorporated into the project plan to address risks which could negatively impact the project or the Department's ability to address the Year 2000 problem .

Throughout the design and implementation of the CSDN, integrated teams will work together to ensure that design elements leading to an organizational configuration are sensitive to client and employee needs, regional economic concerns and other strategic departmental initiatives.

Successful implementation of the CSDN requires effective communication with internal and external stakeholders. Stakeholders will continue to be apprised of the project's activities and progress through briefings and updates.

**Results Expectations:**

Implementation of the CSDN will ultimately result in improved client service and improve efficiency through:

- redesigned work processes;
- an organizational structure that best supports the client-centred service approach and employees who will have greater decision-making authority and responsibility;
- streamlined management processes;
- modified and/or relocated facilities that will accommodate the modes of service and changing client demographics; and
- new information technology architectures.

**c) Corporate Services**

**Infrastructure:** The essential corporate services that support VAC operations will be reviewed to ensure that needed improvements in financial, human resources, information technology, and general administrative management are made in support of the Department's strategic initiatives.

**Change Management Issues:**

Particular emphasis will be placed on human resource planning to ensure that Veterans Affairs' management and staff acquire the necessary skills to adapt to a rapidly changing environment. This will be augmented by improved human resources planning, staffing and other processes in support of line management.

The management of the information technology infrastructure in the Department will remain a high priority. The IT capability will be upgraded to make use of the capabilities of Internet and Intranet technologies to enable improved client service. The overall security of information handled by computerized systems will be addressed through such means as the government's Public Key Infrastructure (PKI).

In addition, the Department has under way a Year 2000 project to ensure that VAC systems will continue to operate effectively when the so-called "Year 2000 date conversion problem" occurs.

**Results Expectations:** The business renewal initiatives, careful human resource planning and the effective collaboration of our partners to implement these plans, will result in a more team-based organization.

- A client service focus will drive the design and delivery of both external and internal services. This transformation will result in a quality service driven organization with standards linked to the cost of providing those services.
- Staff will be provided with the necessary tools and resources to meet the challenges ahead.
- The establishment of an environment of continuous learning will result in a flexible and responsive work force.
- Modernized corporate services will provide clients with the choice of how, where and when consistent quality services are provided.
- Performance measures will be embedded in the service processes.

**Veterans Organizations Initiative:**

Maintaining and strengthening the long-standing partnership which has existed with veterans organizations remains an important focus for the Portfolio. Veterans and their families are best served by the Department and the veterans organizations working in concert on their behalf.

**Change Management Issues:** The requirement that government expenditure reduction targets be met, as well as the need to manage the Portfolio through significant changes to almost every aspect of its operations, will continue to put pressure on the Department's relationship with the veterans' organizations. In addition, all veterans' organizations are experiencing a reduction in their veteran membership, with a corresponding change in their overall membership composition. With the increasing presence of former Regular Force Members in the veterans' organizations, there will be growing pressures on the Portfolio concerning programs and services for its peacetime clients.

**Knowledge Economy Partnership:**

In recognition of the current reality and requirement to re-evaluate all areas of service delivery, federal and provincial government representatives on Prince Edward Island (P.E.I.) have joined together with the University of P.E.I., Holland College and private sector business in the Knowledge Economy Partnership (KEP). The mandate of KEP is to identify and act upon opportunities for partnerships which will result in the provision of better service through the achievement of common goals.

The small size of P.E.I.'s government and business communities make it an ideal location to develop, pilot and implement innovative service delivery approaches. The initiative is focused on the unique opportunity that P.E.I. has to be a showcase to the rest of Canada on how provinces and the federal government can work together for the common interest of all Canadians. As well, it has the potential to forge a new model for the renewal of the federation.

KEP is managed through a Steering Committee and several Task Teams comprised of senior level representation from the federal government, the Government of P.E.I., the University of P.E.I., and Holland College. The work of the Steering Committee and the Task Teams focuses on four key areas for which action plans will be developed: Service Delivery, Knowledge Transfer, Enterprise Development, and Common Infrastructure.

**(1) Service Delivery:** The goal of the Service Delivery Task Team is to improve service to the public through the innovative and cooperative application of technology. Initiatives currently being examined include: Integrated Service Delivery; Agri-food and Aquaculture Inspection; and Joint Strategy for Cultural/Heritage Development.

**(2) Knowledge Transfer:** Education is a key component in bringing together knowledge, technology, skills and economic opportunities. The goal of this working group is to market education and knowledge products and share expertise within the province through the use of technology. Initiatives under consideration include: creating an electronic connection between all Island communities; establishing a P.E.I. Technology Centre that would connect people, ideas and resources aimed at educating and training educators; and establishing an integrated presence for all education sectors on the Internet.

**(3) Enterprise Development:** This group will examine the use of information technologies as a business tool to improve competitiveness of Island companies. Technological advances that now allow secure financial transactions on the Internet will transform the world economy and present tremendous opportunity for P.E.I. businesses. The opportunity is greatest for P.E.I.'s resource, processing, manufacturing and tourism sectors. Information technology initiatives under development include: Cyber-Tourism, an interactive web site enabling tourists to book reservations and pay deposits for Island accommodations; Cyber-Exports, connecting P.E.I. exporters to the Internet and enabling them to seek new markets for their products; and Cyber-Craft market, a virtual marketplace on the Internet for P.E.I. crafts.

**(4) Common Infrastructure:** There are a number of cross-functional themes, particularly in information technology, which are integral to the success of the three key task forces. The purpose of this task force is to explore opportunities for collaboration and partnering in common infrastructure areas in support of the other task force initiatives. Common infrastructure initiatives include:

Identification of Common Future Information Technology requirements; Joint Human Resources Management; and Joint Administrative Services.

**Change Management Issues:** There are two key challenge areas which will affect the success of the KEP initiatives. The first derives from regulatory, policy and/or bureaucratic impediments which may retard the rate of progress on the initiatives. The KEP Steering Committee is committed to breaking down these barriers, where reasonable and possible.

The second major areas of concern is resources. Participating partners are deploying resources in support of these projects to the extent that they are able, given the stringent resource situation. These resources, however, are not sufficient to undertake critical functions such as:

- business case preparation;
- coordination, scheduling and liaison with current partners;
- identification and liaison with potential partners;
- analysing possible roadblocks or political sensitivities;
- research, etc.

These critical functions are key considerations in ensuring the success of KEP initiatives.

**Results Expectations:** The collaborative efforts of the federal and provincial governments, the University of Prince Edward Island, Holland College and private sector businesses have forged a true partnership which will facilitate the following outcomes:

- Better, faster and more effective services to clients;

- Enhanced information technology skills;
- Stimulated job creation in the knowledge-based industries;
- Shared cost-savings;
- Minimized duplication of effort and effort of services;
- Improved sense of community within P.E.I.; and
- A working model for the rest of Canada on how all levels of government and the private sector can work together for the common interest of all Canadians.

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### III Supplementary Information

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#### 1. Spending Authorities

##### A. Summary of Authorities Contained in Part II of the Estimates 1997-98 Main Estimates

**Figure 14: Financial Requirements by Authority**

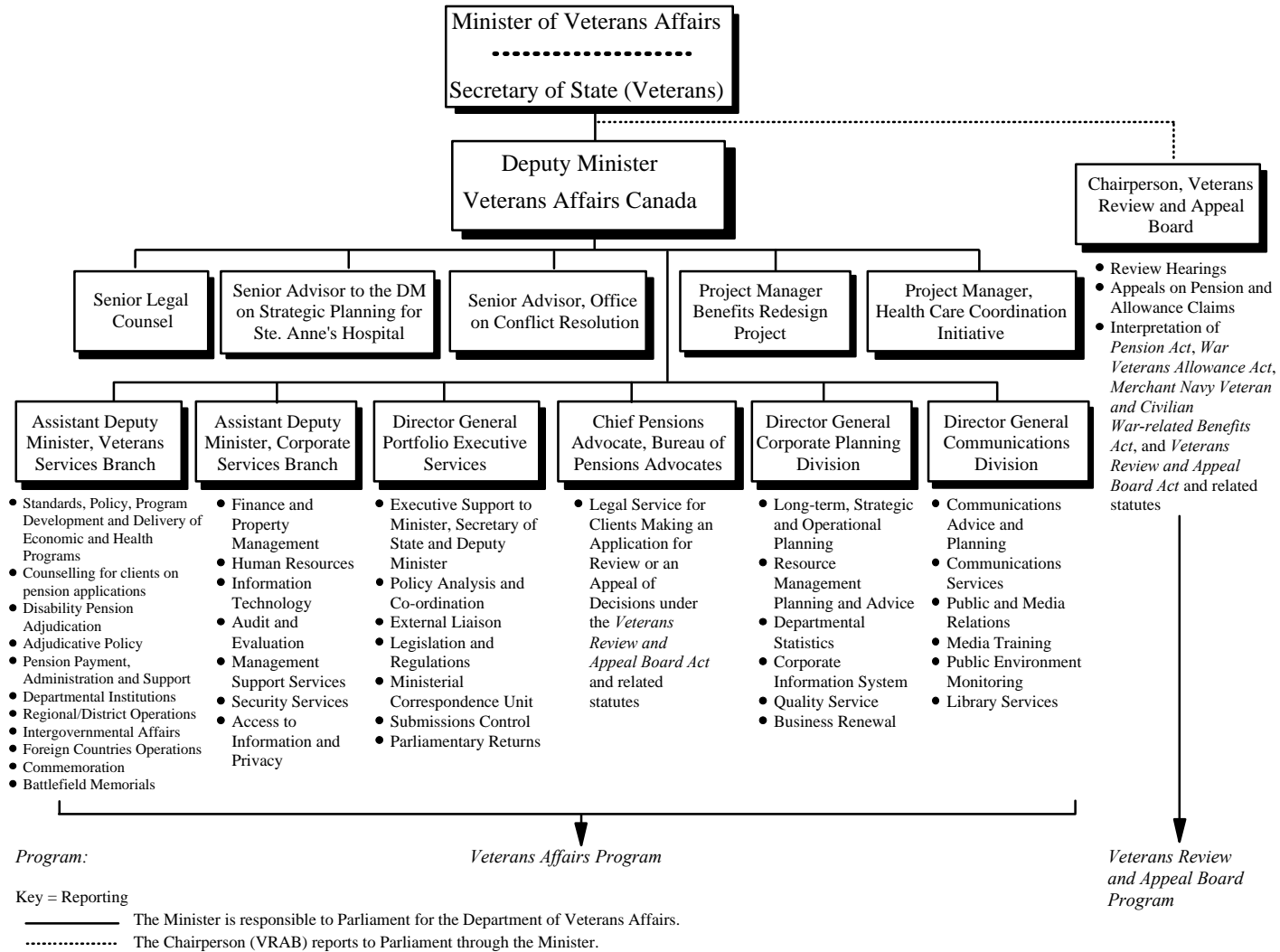
| Vote                                      | (\$millions)  | 1997-98<br>Main Estimates | 1996-97<br>Main Estimates |
|---|---|---------------------------|---------------------------|
| <b>Veterans Affairs</b>                   |   |                           |                           |
| <b>Veterans Affairs Program</b>           |   |                           |                           |
| 1   | Operating expenditures  | 513.2                     | 492.3                     |
| 5   | Grants and contributions  | 1,377.4                   | 1,418.8                   |
| (S)                                       | Re-Establishment Credits under Section 8 and Repayments under Section 15 of the <i>War Service Grants Act</i> of compensating adjustments made in accordance with the terms of the <i>Veteran' Land Act</i> |                           |                           |
| (S)                                       | Returned Soldiers Insurance Actuarial Liability Adjustment  |                           |                           |
| (S)                                       | Veterans Insurance Actuarial Liability Adjustment   | 0.2                       | 0.5                       |
| (S)                                       | Contributions to employee benefit plans   | 23.1                      | 19.8                      |
| <b>Total Program</b>                      |   | <b>1,913.9</b>            | <b>1,931.4</b>            |
| <b>Veterans Review &amp; Appeal Board</b> |   |                           |                           |
| 10  | Program expenditures  | 6.7                       | 6.8                       |
| (S)                                       | Contributions to employee benefit plans   | 1.0                       | 0.9                       |
| <b>Total Program</b>                      |   | <b>7.7</b>                | <b>7.7</b>                |
| <b>Total Department</b>                   |   | <b>1,921.6</b>            | <b>1,939.1</b>            |

**Figure 15: Votes - Wording and Amounts**

|                                 |   | 1997-98        |
|---------------------------------|---|----------------|
| Vote                            | (\$millions)  | Main Estimates |
| <b>Veterans Affairs Program</b> |   |                |
| 1                               | Veterans Affairs - Operating expenditures, upkeep of property including engineering and other investigatory planning expenses that do not add tangible value to real property, taxes, insurance and maintenance of public utilities; to authorize, subject to the approval of the Governor in Council, necessary remedial work on properties constructed under individual firm price contracts and sold under the <i>Veterans' Land Act</i> , to correct defects for which neither the veteran nor the contractor can be held financially responsible, and such other work on other properties as may be required to protect the interest of the Director therein | 513.2          |
| 5                               | Veterans Affairs - The grants listed in the Estimates and contributions, provided that the amount listed for any grant may be increased or decreased subject to the approval of the Treasury Board  | 1,377.4        |
| 10                              | Veterans Review and Appeal Board - Program expenditures   | 6.7            |

## 2. Organization

Figure 16: Organization Chart





**Figure 17: Gross Resource Requirements by Program/Organization and Activity**

| (\$millions)                                    | 1997-98      |                |                  |                             | Total          |
|---|--------------|----------------|------------------|-----------------------------|----------------|
|   | Health Care  | Pensions       | Economic Support | Departmental Administration |                |
| <b>Program/Organization</b>                     |              |                |                  |                             |                |
| <b>Veterans Affairs Program</b>                 |              |                |                  |                             |                |
| Veterans Services Branch                        | 615.1        | 1,161.2        | 94.2             |                             | 1,870.5        |
| Corporate Services Branch*                      | 5.1          | 0.5            | 0.5              | 28.0                        | 34.1           |
| Corporate Planning Division                     |              |                | 1.4              |                             | 1.4            |
| Communications Division                         |              |                |                  | 1.5                         | 1.5            |
| Portfolio Executive Services Division           |              |                |                  | 1.4                         | 1.4            |
| Bureau of Pensions Advocates                    |              | 5.0            |                  |                             | 5.0            |
| <b>Total Veterans Affairs Program</b>           | <b>620.2</b> | <b>1,166.7</b> | <b>96.1</b>      | <b>30.9</b>                 | <b>1,913.9</b> |
| <b>Veterans Review and Appeal Board Program</b> |              |                |                  |                             |                |
|   |              | 7.7            |                  |                             | 7.7            |
| <b>Total Portfolio</b>                          | <b>620.2</b> | <b>1,174.4</b> | <b>96.1</b>      | <b>30.9</b>                 | <b>1,921.6</b> |

\* Includes the offices of the Secretary of State (Veterans), Deputy Minister, Office of Conflict Resolution, Benefits Redesign Project and Senior Legal Counsel.

### 3. Additional Financial Information

**Figure 18: Gross and Net Portfolio Expenditures by Activity**

| (\$millions)   | Planned<br>Expenditures<br>1996-97* | Planned<br>Expenditures<br>1997-98 | Planned<br>1998-99 | Planned<br>1999-00 |
|--|-------------------------------------|------------------------------------|--------------------|--------------------|
| <b>Gross Expenditures by Activity</b>  |                                     |                                    |                    |                    |
| <b>Veterans Affairs Program</b>  |                                     |                                    |                    |                    |
| Health Care  | 604.6                               | 620.2                              | 599.2              | 594.4              |
| Pensions   | 1,176.5                             | 1,166.7                            | 1,160.8            | 1,160.9            |
| Economic Support   | 116.2                               | 96.1                               | 86.9               | 75.9               |
| Departmental Administration  | 33.8                                | 30.9                               | 31.0               | 31.1               |
| <b>Total Program</b>   | <b>1,931.1</b>                      | <b>1,913.9</b>                     | <b>1,877.9</b>     | <b>1,862.3</b>     |
| <b>Veterans Review and Appeal Board Program</b>                                |                                     |                                    |                    |                    |
| Pensions   | 8.0                                 | 7.7                                | 7.7                | 7.7                |
| <b>Total Program</b>   | <b>8.0</b>                          | <b>7.7</b>                         | <b>7.7</b>         | <b>7.7</b>         |
| <b>Total Portfolio Gross Expenditures</b>                                      | <b>1,939.1</b>                      | <b>1,921.6</b>                     | <b>1,885.6</b>     | <b>1870.0</b>      |
| <b>Less:</b>   |                                     |                                    |                    |                    |
| <b>Revenue credited to the Vote</b>  | <b>0.0</b>                          | <b>0.0</b>                         | <b>0.0</b>         | <b>0.0</b>         |
| <b>Revenue Credited to the Consolidated Revenue Fund</b>                       |                                     |                                    |                    |                    |
| Health Care  | (39.5)                              | (35.3)                             | (35.3)             | (35.3)             |
| Pensions   | (4.0)                               | (2.0)                              | (2.0)              | (2.0)              |
| Economic Support   | 0.0                                 | 0.0                                | 0.0                | 0.0                |
| Departmental Administration  | (6.7)                               | (6.0)                              | (6.0)              | (6.0)              |
| <b>Total Revenue credited to the Vote and to the Consolidated Revenue Fund</b> | <b>(50.2)</b>                       | <b>(43.3)</b>                      | <b>(43.3)</b>      | <b>(43.3)</b>      |
| <b>Net Expenditures by Activity</b>  |                                     |                                    |                    |                    |
| <b>Veterans Affairs Program</b>  |                                     |                                    |                    |                    |
| Health Care  | 565.1                               | 584.9                              | 563.9              | 559.1              |
| Pensions   | 1,172.5                             | 1,164.7                            | 1,158.8            | 1,158.9            |
| Economic Support   | 116.2                               | 96.1                               | 86.9               | 75.9               |
| Departmental Administration  | 27.1                                | 24.9                               | 25.0               | 25.1               |
| <b>Total Program</b>   | <b>1,880.9</b>                      | <b>1,870.6</b>                     | <b>1,834.6</b>     | <b>1,819.0</b>     |
| <b>Veterans Review and Appeal Board Program</b>                                |                                     |                                    |                    |                    |
| Pensions   | 8.0                                 | 7.7                                | 7.7                | 7.7                |
| <b>Total Program</b>   | <b>8.0</b>                          | <b>7.7</b>                         | <b>7.7</b>         | <b>7.7</b>         |
| <b>Total Portfolio Net Expenditures by Activity</b>                            | <b>1,888.9</b>                      | <b>1,878.3</b>                     | <b>1,842.3</b>     | <b>1,826.7</b>     |
| <b>Cost of Services Provided by other departments</b>                          | <b>24.2</b>                         | <b>24.2</b>                        | <b>24.2</b>        | <b>24.2</b>        |
| <b>Total Net Cost</b>  | <b>1,913.1</b>                      | <b>1,902.5</b>                     | <b>1,866.5</b>     | <b>1,850.9</b>     |

\* Based on In-Year Update

**Figure 19: Details of Revenues by Activity**

| Revenue credited to the Vote by<br>by Activity<br>(\$millions)                       | Planned<br>Expenditures<br>1996-97* | Planned<br>Expenditures<br>1997-98 | 1998-99<br>Planned | 1999-00<br>Planned |
|--|-------------------------------------|------------------------------------|--------------------|--------------------|
| <b>Total Credited to the Vote</b>  | 0.0                                 | 0.0                                | 0.0                | 0.0                |
| <b>Revenue credited to the<br/>Consolidated Revenue Fund<br/>by Activity</b>         |                                     |                                    |                    |                    |
| <b>Health Care</b>   |                                     |                                    |                    |                    |
| Provincial hospital and medical<br>insurance plans                                   | 20.9                                | 18.7                               | 18.7               | 18.7               |
| Other in-patient hospital services   | 18.6                                | 16.6                               | 16.6               | 16.6               |
|  | <b>39.5</b>                         | <b>35.3</b>                        | <b>35.3</b>        | <b>35.3</b>        |
| <b>Pensions</b>  |                                     |                                    |                    |                    |
| Recovery of pensions from foreign<br>governments and services to<br>foreign veterans | 4.0                                 | 2.0                                | 2.0                | 2.0                |
|  | <b>4.0</b>                          | <b>2.0</b>                         | <b>2.0</b>         | <b>2.0</b>         |
| <b>Departmental Administration</b>   |                                     |                                    |                    |                    |
| Interest on <i>Veterans' Land Act</i> loans  | 1.0                                 | 1.0                                | 1.0                | 1.0                |
| Refunds of previous year's<br>expenditures   | 5.0                                 | 4.5                                | 4.5                | 4.5                |
| Other  | 0.7                                 | 0.5                                | 0.5                | 0.5                |
|  | <b>6.7</b>                          | <b>6.0</b>                         | <b>6.0</b>         | <b>6.0</b>         |
| <b>Total credited to the CRF</b>   | <b>50.2</b>                         | <b>43.3</b>                        | <b>43.3</b>        | <b>43.3</b>        |
| <b>Total Program Revenues</b>  | <b>50.2</b>                         | <b>43.3</b>                        | <b>43.3</b>        | <b>43.3</b>        |

\* Reflects changes included in the In-Year Update.

**Figure 20: Transfer Payments by Activity**

| (\$millions)                          | Planned        | Planned        |                |                |
|---------------------------------------|----------------|----------------|----------------|----------------|
|                                       | Expenditures   | Expenditures   | Planned        | Planned        |
|                                       | 1996-97*       | 1997-98        | 1998-99        | 1999-00        |
| <b>Grants by Activity</b>             |                |                |                |                |
| <b>Veterans Affairs Program</b>       |                |                |                |                |
| Health Care                           | 1.7            | 1.5            | 1.5            | 1.5            |
| Pensions                              | 1,150.8        | 1,140.8        | 1,134.8        | 1,134.8        |
| Economic Support                      | 89.4           | 71.2           | 61.9           | 50.8           |
| Departmental Administration           | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Total Program</b>                  | <b>1,241.9</b> | <b>1,213.5</b> | <b>1,198.2</b> | <b>1,187.1</b> |
| <b>Total Veterans Review and</b>      |                |                |                |                |
| <b>Appeal Board Program</b>           |                |                |                |                |
|                                       | 0.0            | 0.0            | 0.0            | 0.0            |
| <b>Total Portfolio Grants</b>         | <b>1,241.9</b> | <b>1,213.5</b> | <b>1,198.2</b> | <b>1,187.1</b> |
| <b>Contributions by Activity</b>      |                |                |                |                |
| <b>Veterans Affairs Program</b>       |                |                |                |                |
| Health Care                           | 168.4          | 164.1          | 152.5          | 152.5          |
| <b>Total Portfolio Contributions</b>  | <b>168.4</b>   | <b>164.1</b>   | <b>152.5</b>   | <b>152.5</b>   |
| <b>Total Grants and Contributions</b> | <b>1,410.3</b> | <b>1,377.6</b> | <b>1,350.7</b> | <b>1339.6</b>  |

\* Based on In-Year Update.

**Figure 21: Details of Transfer Payments by Activity**

| (\$millions)  | 1996-97<br>Estimates | 1997-98<br>Estimates |
|---|----------------------|----------------------|
| <b>Grants by Activity</b>   |                      |                      |
| <b>Health Care</b>  |                      |                      |
| Grants to various provinces concerning the provision of prosthetic services to veterans | 0.2                  | 0.0                  |
| Treatment and Related Allowances  | 1.5                  | 1.5                  |
| <b>Pensions</b>   |                      |                      |
| Pensions for disability and death and burial grants                                     | 1,150.0              | 1,140.0              |
| Payments under the <i>Flying Accidents Compensation Regulations</i>                     | 0.8                  | 0.8                  |
| Payments of Gallantry Awards  | 0.1                  | 0.1                  |
| <b>Economic Support</b>   |                      |                      |
| War Veterans Allowances   | 62.7                 | 45.0                 |
| Assistance in accordance with the provisions of the <i>Assistance Fund Regulations</i>  | 2.0                  | 2.0                  |
| Children of Deceased Veterans   |                      |                      |
| Education Assistance  | 0.3                  | 0.3                  |
| University and Vocational Training  | 0.5                  | 0.3                  |
| Assistance to Canadian Veterans - Overseas District                                     | 0.4                  | 0.4                  |
| Last Post Fund  | 16.2                 | 16.2                 |
| Commonwealth War Graves Commission  | 6.6                  | 6.6                  |
| United Nations Memorial Cemetery in Korea   | 0.1                  | 0.1                  |
| (S) Returned Soldiers Insurance   |                      |                      |
| Actuarial Liability Adjustment  | 0.0                  | 0.0                  |
| (S) Veterans Insurance Actuarial Liability Adjustment                                   | 0.5                  | 0.2                  |

**Figure 21: Details of Transfer Payments by Activity (continued)**

| (\$millions)   | 1996-97<br>Estimates | 1997-98<br>Estimates |
|--|----------------------|----------------------|
| <b>Departmental Administration</b>   |                      |                      |
| Payments under the <i>War Service Grants Act</i> (R.S.C. 1970, c.W-4)  |                      |                      |
| (S) Re-Establishment Credits under Section 8   | 0.0                  | 0.0                  |
| (s) Repayments under Section 15 for compensating adjustments made in accordance with the terms of the <i>Veterans' Land Act</i> .        | 0.0                  | 0.0                  |
|  | <b>1,241.9</b>       | <b>1,213.5</b>       |
| <b>Contributions</b>   |                      |                      |
| <b>Health Care</b>   |                      |                      |
| Contributions to veterans, under the VIP, to assist in defraying costs of extended health care not covered by provincial health programs | 161.4                | 158.0                |
| Contributions to the respective provinces in accordance with the agreements of transfer of departmental hospitals                        | 7.0                  | 6.1                  |
| <b>Pensions</b>  |                      |                      |
| Compensation for loss of earnings  | 0.0                  | 0.0                  |
|  | <b>168.4</b>         | <b>164.1</b>         |
|  | <b>1,410.3</b>       | <b>1,377.6</b>       |

## Presentation by Standard Object

**Figure 22: Veterans Affairs Program**

| (\$millions)                                | Planned<br>Expenditures<br>1996-97* | Planned<br>Expenditures<br>1997-98 | Planned<br>1998-99 | Planned<br>1999-00 |
|---|-------------------------------------|------------------------------------|--------------------|--------------------|
| <b>Personnel</b>                            |                                     |                                    |                    |                    |
| Salaries and wages                          | 137.1                               | 135.9                              | 136.0              | 136.5              |
| Contributions to employee benefit plans     | 19.8                                | 23.1                               | 23.1               | 23.2               |
|   | <b>156.9</b>                        | <b>159.0</b>                       | <b>159.1</b>       | <b>159.7</b>       |
| <b>Goods and Services</b>                   |                                     |                                    |                    |                    |
| Transportation and communications           | 18.4                                | 19.0                               | 18.5               | 18.3               |
| Information                                 | 0.9                                 | 0.8                                | 0.8                | 0.8                |
| Professional and special services*          | 201.5                               | 208.4                              | 203.2              | 199.9              |
| Rentals                                     | 7.4                                 | 7.8                                | 7.6                | 7.5                |
| Purchased repairs and upkeep                | 5.0                                 | 5.3                                | 5.2                | 5.1                |
| Utilities, materials and supplies*          | 128.4                               | 131.7                              | 128.7              | 127.2              |
| Other subsidies and payments                | 0.6                                 | 2.5                                | 2.4                | 2.4                |
|   | <b>362.2</b>                        | <b>375.5</b>                       | <b>366.4</b>       | <b>361.2</b>       |
|   | <b>519.1</b>                        | <b>534.5</b>                       | <b>525.5</b>       | <b>520.9</b>       |
| <b>Capital</b>                              | <b>1.7</b>                          | <b>1.8</b>                         | <b>1.8</b>         | <b>1.8</b>         |
| <b>Transfer payments</b>                    |                                     |                                    |                    |                    |
| Voted                                       | 1,409.7                             | 1,377.4                            | 1,350.4            | 1,339.4            |
| Statutory                                   | 0.6                                 | 0.2                                | 0.2                | 0.2                |
|   | <b>1,410.3</b>                      | <b>1,377.6</b>                     | <b>1,350.6</b>     | <b>1,339.6</b>     |
| <b>Gross Expenditures</b>                   | <b>1,931.1</b>                      | <b>1,913.9</b>                     | <b>1,877.9</b>     | <b>1,862.3</b>     |
| Less:                                       |                                     |                                    |                    |                    |
| Revenues credited to the CRF:               |                                     |                                    |                    |                    |
| Health Care                                 | (39.5)                              | (35.3)                             | (35.3)             | (35.3)             |
| Pensions                                    | (4.0)                               | (2.0)                              | (2.0)              | (2.0)              |
| Economic Support                            | (0.0)                               | (0.0)                              | (0.0)              | (0.0)              |
| Departmental Administration                 | (6.7)                               | (6.0)                              | (6.0)              | (6.0)              |
|   | <b>(50.2)</b>                       | <b>(43.3)</b>                      | <b>(43.3)</b>      | <b>(43.3)</b>      |
| <b>Net budgetary expenditures (surplus)</b> | <b>1,880.9</b>                      | <b>1,870.6</b>                     | <b>1,834.6</b>     | <b>1,819.0</b>     |

\* Based on In-Year Update

**Figure 23: Veterans Review and Appeal Board Program**

| (\$millions)                                | <b>Planned<br/>Expenditures<br/>1996-97*</b> | <b>Planned<br/>Expenditures<br/>1997-98</b> | <b>Planned<br/>1998-99</b> | <b>Planned<br/>1999-00</b> |
|---|--|---|----------------------------|----------------------------|
| <b>Personnel</b>                            |  |   |                            |                            |
| Salaries and wages                          | 6.0  | 6.0   | 6.0                        | 6.0                        |
| Contributions to employee benefit plans     | 0.9  | 0.9   | 1.0                        | 1.0                        |
|   | <b>6.9</b>                                   | <b>6.9</b>                                  | <b>7.0</b>                 | <b>7.0</b>                 |
| <b>Goods and Services</b>                   |  |   |                            |                            |
| Transportation and communications           | 0.9  | 0.5   | 0.5                        | 0.5                        |
| Information                                 | 0.0  | 0.0   | 0.0                        | 0.0                        |
| Professional and special services*          | 0.0  | 0.0   | 0.0                        | 0.0                        |
| Rentals                                     | 0.1  | 0.0   | 0.0                        | 0.0                        |
| Purchased repairs and upkeep                | 0.0  | 0.1   | 0.1                        | 0.1                        |
| Utilities, materials and supplies*          | 0.0  | 0.1   | 0.0                        | 0.0                        |
|   | <b>1.0</b>                                   | <b>0.7</b>                                  | <b>0.6</b>                 | <b>0.6</b>                 |
|   | <b>7.9</b>                                   | <b>7.6</b>                                  | <b>7.6</b>                 | <b>7.6</b>                 |
| <b>Capital</b>                              | <b>0.1</b>                                   | <b>0.1</b>                                  | <b>0.1</b>                 | <b>0.1</b>                 |
| <b>Transfer payments</b>                    |  |   |                            |                            |
| Voted                                       | 0.0  | 0.0   | 0.0                        | 0.0                        |
| Statutory                                   | 0.0  | 0.0   | 0.0                        | 0.0                        |
|   | <b>0.0</b>                                   | <b>0.0</b>                                  | <b>0.0</b>                 | <b>0.0</b>                 |
| <b>Gross Expenditures</b>                   | <b>8.0</b>                                   | <b>7.7</b>                                  | <b>7.7</b>                 | <b>7.7</b>                 |
| Less:                                       |  |   |                            |                            |
| Revenues                                    | 0.0  | 0.0   | 0.0                        | 0.0                        |
| <b>Net budgetary expenditures (surplus)</b> | <b>8.0</b>                                   | <b>7.7</b>                                  | <b>7.7</b>                 | <b>7.7</b>                 |

\* Based on In-Year Update.



**Figure 24: Veterans Affairs Portfolio Total**

| (\$millions)                                | Planned<br>Expenditures<br>1996-97* | Planned<br>Expenditures<br>1997-98 | Planned<br>1998-99 | Planned<br>1999-00 |
|---|-------------------------------------|------------------------------------|--------------------|--------------------|
| <b>Personnel</b>                            |                                     |                                    |                    |                    |
| Salaries and wages                          | 143.1                               | 141.9                              | 142.0              | 142.5              |
| Contributions to employee benefit plans     | 20.7                                | 24.1                               | 24.1               | 24.2               |
|   | <b>163.8</b>                        | <b>166.0</b>                       | <b>166.1</b>       | <b>166.7</b>       |
| <b>Goods and Services</b>                   |                                     |                                    |                    |                    |
| Transportation and communications           | 19.3                                | 19.5                               | 19.0               | 18.8               |
| Information                                 | 0.9                                 | 0.8                                | 0.8                | 0.8                |
| Professional and special services*          | 201.6                               | 208.4                              | 203.2              | 199.9              |
| Rentals                                     | 7.5                                 | 7.8                                | 7.6                | 7.5                |
| Purchased repairs and upkeep                | 5.0                                 | 5.4                                | 5.3                | 5.2                |
| Utilities, materials and supplies*          | 128.4                               | 131.7                              | 128.7              | 127.2              |
| Other subsidies and payments                | 0.6                                 | 2.5                                | 2.4                | 2.4                |
|   | <b>363.3</b>                        | <b>376.1</b>                       | <b>367.0</b>       | <b>361.8</b>       |
|   | <b>527.1</b>                        | <b>542.1</b>                       | <b>533.1</b>       | <b>528.5</b>       |
| <b>Capital</b>                              | <b>1.7</b>                          | <b>1.9</b>                         | <b>1.9</b>         | <b>1.9</b>         |
| <b>Transfer payments</b>                    |                                     |                                    |                    |                    |
| Voted                                       | 1,409.7                             | 1,377.4                            | 1,350.4            | 1,339.4            |
| Statutory                                   | 0.6                                 | 0.2                                | 0.2                | 0.2                |
|   | <b>1,410.3</b>                      | <b>1,377.6</b>                     | <b>1,350.6</b>     | <b>1,339.6</b>     |
| <b>Gross Expenditures</b>                   | <b>1,939.1</b>                      | <b>1,921.6</b>                     | <b>1,885.6</b>     | <b>1,870.0</b>     |
| Less:                                       |                                     |                                    |                    |                    |
| Revenues                                    |                                     |                                    |                    |                    |
| Health Care                                 | (39.5)                              | (35.3)                             | (35.3)             | (35.3)             |
| Pensions                                    | (4.0)                               | (2.0)                              | (2.0)              | (2.0)              |
| Economic Support                            | 0.0                                 | 0.0                                | 0.0                | 0.0                |
| Departmental Administration                 | (6.7)                               | (6.0)                              | (6.0)              | (6.0)              |
|   | <b>(50.2)</b>                       | <b>(43.3)</b>                      | <b>(43.3)</b>      | <b>(43.3)</b>      |
| <b>Net budgetary expenditures (surplus)</b> | <b>1,888.9</b>                      | <b>1,878.3</b>                     | <b>1,842.3</b>     | <b>1,826.7</b>     |

\* Based on In-Year Update.

#### **4. Statutes Administered by the Portfolio**

##### **4.1 Acts**

*Army Benevolent Fund Act*  
*Children of Deceased Veterans Education Assistance Act*  
*Department of Veterans Affairs Act*  
*Merchant Navy Veteran and Civilian War-related Benefits Act*  
*Pension Act*  
*Soldier Settlement Act*  
*Special Operators War Service Benefits Act*  
*Supervisors War Service Benefits Act*  
*The Returned Soldiers' Insurance Act*  
*Veterans Benefit Act*  
*Veterans Insurance Act*  
*Veterans' Land Act*  
*Veterans Review and Appeal Board Act*  
*War Service Grants Act*  
*War Veterans Allowance Act*  
*Women's Royal Naval Services and the*  
*South African Military Nursing Service (Benefits) Act*

##### **4.2 Regulations and Orders**

*Army Benevolent Fund Regulations*  
*Assistance Fund (WVA and CWA) Regulations*  
*Awards Regulations*  
*Canadian Volunteer Service Medal Order*  
*Children of Deceased Veterans Education Assistance Regulations*  
*Civilian Government Employees (War) Compensation Order*  
*Deceased or Former Members Dependents Payment Order*  
*Delegation of Powers (VLA) Regulations*  
*Execution of Purchase of Property Documents Regulations*  
*Flying Accidents Compensation Regulations*

## **Statutes Administered by the Portfolio (Continued)**

*Gallantry Awards Order*  
*Guardianship of Veterans' Property Regulations*  
*Infant or Person of Unsound Mind Payment Order*  
*Last Post Fund Regulations, 1995*  
*Memorial Cross Order (World War I)*  
*Memorial Cross Order (World War II)*  
*Pension and Allowance Adjustment Regulations*  
*Pensioners Training Regulations*  
*Prescribed Persons and Organizations Regulations*  
*Regional Advisory Committee Regulations*  
*Returned Soldiers' Insurance Regulations*  
*Special Duty Area Pension Order*  
*Vetcraft Shops Regulations*  
*Veterans Allowance Regulations*  
*Veterans Burial Regulations, 1995*  
*Veterans Estates Regulations*  
*Veterans Health Care Regulations*  
*Veterans Insurance Regulations*  
*Veterans' Land Regulations*  
*Veterans Review and Appeal Board Regulations*  
*Veterans Treatment Regulations*  
*War Service Grants Regulations*

### **4.3 Administrative Arrangements**

The Portfolio has shared responsibility for the administration of the following acts and regulations:

*Royal Canadian Mounted Police Pension Continuation Act*  
*Royal Canadian Mounted Police Superannuation Act*  
*Halifax Relief Commission Pension Continuation Act*

## 5. References and Departmental Contacts

### Improved Reporting to Parliament - Pilot Documents

Veterans Affairs Canada  
Performance Report For the period ending  
March 31, 1996

Veterans Affairs Canada  
1996-97 In-Year Update

Veterans Affairs Canada  
A Report on Plans and Priorities  
1997-98 to 1999-2000

Government Review and Quality Services  
Treasury Board Secretariat  
L'Esplanade Laurier  
Ottawa, Canada K1A 0R5  
Treasury Board Internet Site:  
<http://www.tbs-sct.gc.ca/tb/key.html>

Veterans Affairs Canada  
At Your Service

Veterans Affairs Canada  
Corporate Planning Division  
P.O. Box 7700  
Charlottetown, P.E.I. C1A 8M9  
Veterans Affairs Internet Site:  
[http://www.vac-acc.gc.ca/programs/  
service.htm](http://www.vac-acc.gc.ca/programs/service.htm)

**Veterans Affairs produces a variety of publications on available programs and services. Copies may be obtained from Veterans Affairs' district or regional offices or by contacting Communications Division, Veterans Affairs Canada, 66 Slater Street, Ottawa, ON, K1A 0P4. Information on Veterans Affairs' activities may be accessed on the Internet at [www.vac-acc.gc.ca](http://www.vac-acc.gc.ca)**

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## IV Topical Index

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- Aging . . . . . 10, 11, 13, 16, 18, 19, 23, 27
- Benefits Redesign Project . . . . . 5, 26-28
- Bureau of Pensions Advocates . . . . . 5, 21
- Canadian Pension Commission . . . . . 5
- Client Base . . . . . 10-14
- Client-centred Service Initiative . . . 5, 26-28
- Commemoration . . . . . 5, 6, 10, 23
- Corporate Services Infrastructure . . 5, 6, 26, 29
- Judicial and Legal Factors . . . . . 13
- Objectives . . . . 3, 5, 6, 16, 18, 21-23, 26, 27
- Operational Plan Framework . . . . . 16, 23
- Partnership . . . . . 1, 5, 6, 16, 18, 24, 28-31
- Planning, Reporting and Accountability  
    Structure . . . . . 16, 23
- Plans . . 1, 2, 7, 10, 13, 16, 17, 26, 29, 30, 47
- Priorities . . . . . 1-3, 5, 10, 16, 17, 26, 29
- Quality service . . . 1, 2, 15-17, 26-28, 30, 31
- Stakeholders . . . . . 15, 17-19, 24, 27, 29, 30
- Strategic Initiatives . . . . . 1, 5, 15, 16, 26, 29
- Business Renewal . . . . . 5, 6, 26-29
- Commemoration . . . . . 5, 6, 23
- Health Care Coordination Initiative . . 5, 6, 17, 18
- Knowledge Economy Partnership . . 5, 6, 30-32
- Pension Streamlining . . . . . 1, 5, 21
- Transfer of Ste. Anne's Hospital . . 2, 5, 6, 18
- Veterans Affairs Cost Containment . . 5, 6, 16
- Veterans Health Care Needs Review  
        . . . . . 1, 5, 6, 18, 19
- Veterans Organizations . . . . . 5, 6, 30
- Sustainable development . . . . . 15
- Turnaround times . . . . . 1, 2, 21, 22
- Veterans Affairs Canada . . . . . 3-5, 7, 10, 16, 17, 26
- Departmental Administration . . . . 4, 26
- Economic Support . . . . . 4, 23
- Health Care . . . . . 4, 5, 16
- Mandate . . . . . 3, 23
- Pensions . . . . . 4, 5, 21
- Veterans Affairs Portfolio . . 1-7, 10, 15, 16, 18, 22-26, 28-30
- Veterans Appeal Board . . . . . 5
- Veterans Review and Appeal Board . . . 3-5, 7, 16, 21
- Mandate . . . . . 3
- Pensions . . . . . 4