

Social Development Canada

**2005-2006
Estimates**

A Report on Plans and Priorities

Approved by:

The Honourable Ken Dryden, P.C., M.P.
Minister of Social Development Canada

SECTION I – Overview	v
Minister’s Message	v
2005 Budget Highlights	vii
Mandate	1
Vision	1
Mission	1
Departmental Overview	2
Summary Information	3
Departmental Mandate and Program Activities	5
Planning Overview	7
 SECTION II – Analysis of Program Activities by Strategic Outcome	 13
Introduction	13
Summary of Performance Indicators	32
 SECTION III – Supplementary Information	 35
Management Representation Statement	35
Organizational Information	36
 SECTION IV – Other Items of Interest	 53
Effective Corporate Services	53
Sustainable Development	56

Minister's Message

At Social Development Canada our mission is to support the well-being of individuals, families and communities, and their participation through citizen-focused policies, and programs.

A strong, sustainable and vibrant social system is the key to maintaining the quality of life Canadians expect. This *Report on Plans and Priorities* 2005-2006 highlights the programs and activities the department will work on to meet the expectations of Canadians. Working with my colleagues, the Honourable Tony Ianno, Minister of State for Families and Caregivers, and Parliamentary Secretary Eleni Bakopanos, we will lead on key Government of Canada commitments to develop policies and programs that focus on meeting the needs of all people.



We are committed to helping to ensure that all Canadian children have the opportunity to get a good start in life; working to break down the barriers to inclusion faced by persons with disabilities; enabling seniors to enjoy a dignified life and fully participate in their communities; developing a strategy to meet the needs of informal caregivers; strengthening the capacity of the voluntary sectors; and increasing support for the social economy.

We will continue to actively engage governments at all levels, the private sector, non-governmental organizations and communities. Above all, we will engage individual Canadians, to hear their views and understand their priorities and the issues that matter to them.

We have a vision of a Canada for all, where everyone can play an active role. I encourage you to read on and learn how together we will make this happen.

*Ken Dryden, P.C., M.P.
Minister of Social Development Canada*

2005 Budget Highlights

The Budget tabled in the House of Commons on February 23, 2005 contained a number of commitments with expected impacts on Social Development Canada and on the plans and priorities set out in this Report. Commitments with significant financial implications for SDC will be addressed in detail through the 2005-2006 Supplementary Estimates process or through the Main Estimates process in future fiscal years. SDC plans and priorities for 2005-2006 will be adjusted as design and implementation details of these initiatives are resolved.

Major Initiatives Affecting SDC

Early Learning and Child Care

The Government committed \$5 billion over five years to start building a framework for an Early Learning and Child Care initiative in collaboration with provinces and territories. Out of this \$5 billion commitment, the Government of Canada will devote \$100 million to First Nations on reserve, continuing to work in partnership with them to find practical solutions that address on reserve early learning and child care needs. The Government of Canada commits a similar portion of the \$5 billion—\$100 million for the development of a new accountability package that will support improved research and the development of common evidence-based indicators and benchmarks.

This commitment for First Nations children and families on reserve builds on recent budgets' commitments to strengthen programs on reserve for First Nations children, which have included:

- ❖ \$320 million over five years (\$65 million a year ongoing) for early childhood development programming for First Nations and other Aboriginal children.
- ❖ A total of \$45 million over three years (\$14 million a year ongoing) for early learning and child care for First Nations children living on reserve.

This will ensure that First Nations children share in the national commitment to the best possible start in life for Canada's children. Implementation of these funds will draw on the outcomes of community consultations, upcoming assessments of programs and how they are delivered, and the Aboriginal roundtable discussions.

Seniors Issues

Guaranteed Income Supplement benefits for low-income seniors will be increased by \$2.7 billion over five years as a result of increases in monthly benefits of \$36 for singles and \$58 for couples by January 2007. Corresponding increases will also be extended to recipients of both the Allowance and the Allowance for the Survivor benefits.

A total of 1.6 million GIS recipients will benefit from this increase (including more than 50,000 seniors who will become eligible for benefits as a result of the change). The increase will be of particular benefit to senior women, who account for over 1 million of the seniors receiving GIS benefits.

Funding for the New Horizons for Seniors program will be increased from \$10 million to \$25 million a year to promote voluntary sector activities by and in support of seniors (an additional \$5 million in 2005–06, \$10 million in 2006–07 and rising to \$15 million in 2007–08 and subsequent years, bringing the annual budget to \$25 million). These increases will help meet a range of identified needs within the seniors' community.

Budget 2005 proposes to set aside a further \$13 million over five years for a National Seniors' Secretariat, to be established within SDC, to serve as a focal point for collaborative efforts to address the new challenges facing seniors. The Secretariat will be tasked with working with seniors organizations on an ongoing basis, conducting research, developing seniors-related policy, and promoting better coordination of government programs and services that matter to seniors.

Issues Affecting Persons with Disabilities and Caregivers

Budget 2005 includes a range of tax measures for persons with disabilities and their caregivers. These include a doubling, to \$10,000, of the maximum amount of medical- and disability-related expenses that caregivers can claim on behalf of their dependants, beginning with the 2005 taxation year. While these measures do not directly involve SDC resources, they will draw on our leadership on disability and caregiver issues.

Budget 2005 provides a \$6-million contribution in 2005–06 to assist the Canadian National Institute for the Blind (CNIB) in improving the accessibility of information and written culture for Canadians with print disabilities. These funds will help the CNIB to digitize its collection and extend its library services to Canadians across the country.

Service Canada

The delivery of federal services and programs to Canadians will be improved by moving forward with the Service Canada initiative over three years. Service Canada will provide one-stop service to Canadians by phone, on the Internet, and in person for social benefits and other programs. This will bring together the many services and benefits offered to Canadians, including those of SDC, by creating a common, integrated service delivery capability. It will deliver seamless service that is integrated, easy to access, simple to use, and tailored for the individual circumstance. It will enhance the integrity of programs, such as the Canada Pension Plan, by building public trust and confidence and ensuring that the right client receives the right service or benefit at the right time and for the intended purpose.

Over time, Service Canada will reach over 30 million Canadians, serve 1.3 million employers and provide one-stop service for most government services—including assistance in finding a job, delivering income support, helping education and skills development, and many more services. It will increase the service Canadians receive at the first point of contact and improve the efficiency of service delivery across government.

Mandate

On December 12, 2003, the Right Honourable Paul Martin, Prime Minister of Canada, announced the creation of Social Development Canada (SDC). The new department was given a mandate *to help the Government achieve its goal of securing and strengthening Canada's social foundations, while respecting federal, provincial and territorial jurisdictions.*

Vision

A Canada for all, where everyone participates and plays an active role.

Social Development Canada's goal is to encourage and enable individuals, families and communities to reach their full potential, and to maintain the quality of life that Canadians expect. Our major focus as a department is to help children and families, persons with disabilities and seniors by exploring approaches to ensure their well-being and inclusion; and active participation and dignity. The department is also focussed on strengthening the capacity of voluntary organizations.

Mission

Our mission is to strengthen Canada's social foundations by supporting the well-being of individuals, families, and communities, as well as their participation through citizen-focused policies, programs and services.

We will achieve our mission by reducing barriers and facilitating access to opportunities; by investing in people and strengthening communities; by delivering seamless, innovative and responsive service, both internally and externally; by working with federal partners, other governments and communities; by supporting our employees; and by serving Canadians with integrity and commitment.

Canadians expect the Government of Canada to be there for them when they might need support for their well-being at various times throughout their lives. That is why the Department of Social Development was created. Social Development Canada plays an integral role in social policies, programs and services. We work with the provincial and territorial governments, Aboriginal people, partners, stakeholders and Canadians to ensure children and their families, seniors, persons with disabilities, caregivers, communities and others facing social challenges have the support they need for their well-being and to facilitate their participation in society.

Departmental Overview

Since the creation of Social Development Canada, our department has shaped its mandate for social development policy, program design and delivery related to income security for Canadians and their social well-being. A fundamental element has been to work with the provincial and territorial governments to address common areas of interest while recognizing that many social development policy challenges fall within those governments' jurisdiction. Canadians expect, however, that their governments will work in partnership wherever possible and that there are many ways that governments can coordinate their actions and learn from each other.

We also work in partnership with the private sector, non-governmental organizations and communities to support many initiatives, including those involving community development and the social economy. As well, we work closely with the other federal departments that have social development policy responsibilities. SDC is also active in international organizations that provide forums for us to learn from the experiences of others, which helps us improve social policies and programs for Canadians. Our international activities also demonstrate leadership of social improvements in other countries.

By far, the largest component of SDC expenditures provides income support to Canadians through program benefits that Parliament has legislated, namely the Old Age Security program (which is funded from general tax revenue) and the full range of benefits from the Canada Pension Plan (which is a contributory program that is not part of the consolidated revenue fund).

Other SDC activities involve operating expenditures such as those that support the National Child Benefit. Other SDC programs that support families and children and are in collaboration with provincial and territorial governments include the Early Childhood Development Agreement, the Multilateral Framework on Early Learning and Child Care and the Child Disability Benefit. We support increased capacity in the community, private and voluntary sectors to promote the inclusion and participation of all citizens through, for example, the Social Development Partnerships Program, the Voluntary Sector Initiative and our increasing focus on supporting the growth of Canada's social economy. In addition to providing CPP benefits for persons with disabilities, we also work with the provinces to promote the full participation of persons with disabilities (in the labour market, learning environments and communities) through programs such as the Opportunities Fund and through initiatives such as the Labour Market Agreements for Persons with Disabilities.

SDC also provides corporate services and service delivery functions to our department and to Human Resources and Skills Development Canada (HRSDC). These services and functions include human resources, systems, financial and administrative services, and service delivery support for client services delivered through telephone and Internet channels. Our department also manages program integrity functions; we issue Social Insurance Numbers, run the Social Insurance Registry and handle related responsibilities, all of which support the work of both departments. Through the network of Human

Resource Centres of Canada (HRCCs), HRSDC provides SDC with in-person service for all our programs. This shared-services approach is designed to provide more efficient services to Canadians and is an example of the government's commitment to strong collaboration among departments to better meet the needs and priorities of citizens.

Summary Information

Social Development Canada (SDC) has expenditures on programs and services close to \$55 billion, of which 98%, or \$54 billion, directly benefits Canadians through the Canadian Pension Plan and Old Age Security programs.

SDC is responsible for providing shared corporate services in human resources; financial and administrative services; and systems, to both SDC and to Human Resources and Skills Development (HRSDC). Effective 2005-2006, the resources for shared services have been apportioned between the two departments to better reflect the cost of delivering the programs and corporate services of each department. Additional information can be found in Section IV of this document.

Summary Information			
	2005-2006	2006-2007	2007-2008 ³
Financial Resources (\$ millions)			
Operating Expenditures (gross)	602.6	607.3	606.1
Non-Statutory Grants and Contributions	280.8	279.0	279.0
Statutory Grants and Contributions	28,893.0	30,011.0	-
Gross	29,776.4	30,897.3	
Less: Respendable Revenues ¹	(276.7)	(271.7)	
Main Estimates (net)	29,499.7	30,625.6	
Adjustments (not in Main Estimates) ²	108.6	485.5	762.5
Total Planned Spending	29,608.3	31,111.1	
Specified Purpose Accounts			
Canada Pension Plan	25,247.4	26,382.4	
Departmental Recoveries charged to EI	53.1	49.3	
Departmental Employee Benefit Plan recoverable from CPP	(24.7)	(24.2)	
Total SDC	54,884.1	57,518.6	
Human Resources (FTEs)	6,307	6,145	6,100

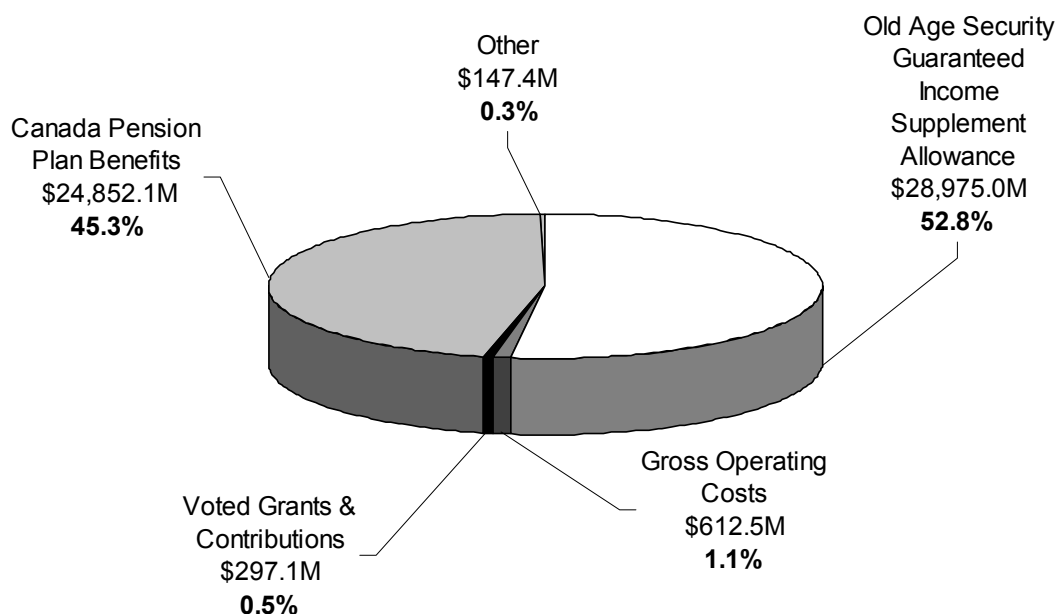
¹ Respendable Revenues: Revenues netted against Budgetary expenditures.

² The adjustments to the planned spending reflect the impact of the Budget 2004 and Budget 2005. Refer to Table 1, Section III for additional details.

³ The forecasted expenditures for the CPP and OAS are available only for the planning years 2005-06 and 2006-07.

SECTION I – Overview

CONSOLIDATED TOTAL: \$54,884.1M



SDC's Total Planned Expenditures			
Net Operating Costs			336.2
Add Recoveries in relation to:			
Canada Pension Plan	223.2		
Employment Insurance Account	53.1 ¹	276.3	
Operating Costs		612.5	
Voted Grants and Contributions		297.1	
Total Planned Expenditures		909.6	
Others			
CPP Administration Costs from Other Government Department		172.1	
EBP Administrative charges reflected as part of Operating Costs		(24.7)	
Total Others		147.4	

Statutory Transfer Payments	
Statutory Grants and Contributions:	
Old Age Security	22,209.0
Guaranteed Income Supplement Allowance Payments	6,315.0
	451.0
Total	28,975.0
Canada Pension Plan benefits	24,852.1
Total Statutory Transfer Payments	53,827.1²

¹ The Employment Insurance (EI) Account is under the portfolio of Human Resources and Skills Development Canada (HRSDC) but SDC recovers costs for services provided to the EI program such as service delivery. In 2005-2006, the costs for Shared Corporate Services provided by SDC to HRSDC was allocated to HRSDC to better reflect the costs of delivering the programs and Corporate Services for both departments.

² This amount directly benefits Canadians.

Departmental Mandate and Program Activities

SDC's mission and mandate set out a central role for SDC in strengthening Canada's social foundations and in helping build a 21st century economy. The following chart outlines SDC's vision and mission as well as the program activities established to achieve these goals.

Social Development Canada Mandate

Vision				
A Canada for all, where everyone participates and plays an active role.				
Mission				
To strengthen Canada's social foundations by supporting the well-being of individuals, families, and communities, as well as their participation through citizen-focused policies, programs and services. We will achieve this by reducing barriers and facilitating access to opportunities; investing in people and strengthening communities; delivering seamless, innovative and responsive service, both internally and externally; working with federal partners, other governments and communities; supporting our employees; and serving Canadians with integrity and commitment.				
Program Activities	Income Support	Inclusion and Participation	Vibrant Communities	Investments in Children and Families
				Service Innovation
Strategic Outcomes	A Canada where the quality of life and inclusion for Seniors is enhanced and poverty alleviated through sustainable public pensions, benefits and supports.	A Canada where the social and economic participation of Persons with Disabilities is enhanced.	A Canada where vibrant and inclusive communities meet the social development needs of Canadians.	A Canada where the capacities of Individuals, Children, Families, and Communities are strengthened in order to promote social inclusion, participation and well-being.
	Canada Pension Plan – Retirement, Survivors, and Death	Canada Pension Plan - Disability	Social Development Partnerships Program	National Child Benefit Initiative
	Old Age Security/ Guaranteed Income supplement	Labour Market Agreements for Persons with Disabilities	Voluntary Sector Initiative	Early Childhood Development Agreement
		Opportunities Fund for Persons with Disabilities	New Horizons	Multilateral Framework for Early Learning and Childcare
			Understanding the Early Years	Enterprise-wide Service Delivery
Modern Service and Benefits Delivery				
Corporate and Shared Services				
Clients: Seniors, Persons with Disabilities, Communities, Community Organizations, Children, Families, Individuals				
Partners: All Levels of Government, Canadians and their MPs, Employers, Unions, Service Providers, Community Organizations, Not-for-Profit and Voluntary Sectors, Non-Governmental Organizations, Research Partners, International Organizations.				

Planning Overview

The 2005-2006 *Report on Plans and Priorities* outlines Social Development Canada's policy, program and service delivery priorities for the 2005-2006, 2006-2007 and 2007-2008 fiscal years. It reflects the larger social and government context in which SDC operates, as well as our commitment to managing for results that matter to Canadians.

To focus our resources and priorities, SDC has implemented a citizen-centred departmental planning framework. We have largely defined our strategic outcomes and priorities based on the impacts that we expect to generate in the lives of Canadians and their communities.

Influences on Priorities for the Government of Canada and Social Development Canada

As the department responsible for policies, programs and services that affect the social development of Canadians, our department analyzes the issues that citizens, families and communities face. Identifying influential issues is a key element in our departmental planning.

Pressures on Families: As the department responsible for policies and programs that assist and support children, families and communities, we are aware that the well-being of children is a determinant of Canada's quality of life and of our future productivity.

Over the last few decades, there has been a major shift away from the older model of the single-earner family. It is now the norm for both parents in a two-parent family to be employed while their children are young. In 2003, 65.6% of women with children under six were in paid employment.¹ As a result, some Canadians are struggling to find the right balance between their work and family responsibilities.

We recognize the vital role of Canadians who provide care to aged relatives or to relatives with disabilities. We also recognize that the demand for family and informal caregivers will grow over the coming years, as the overall population of seniors is expected to rise by 23% between 2001 and 2011, and the proportion of those aged 85 and over is expected to increase by more than 55% in the same period. In this context, a key challenge for governments will be how to support citizens with greater flexibility in their allocation of time throughout their lives, while at the same time supporting labour force development and economic growth.

Demographic Changes: A key challenge facing governments will be how to address the range of issues that arise as a result of the aging of the population. As the department responsible for federal public pension programs, SDC recognizes the impact this will have. As a result, challenges and opportunities need to be assessed and consensus built on the next steps to help today's seniors – and future seniors – lead secure and dignified lives.

¹ Statistics Canada, Labour Force Historical Review 2003.

Population aging has wide-ranging policy implications related to the labour market, public pensions, health care, family care giving, intergenerational cohesion and disability issues. These implications need to be better understood. One key challenge will be to provide greater choice and flexibility in work-to-retirement decisions, which can improve both individual and societal outcomes. Another issue will be enhancing the social participation of seniors in their communities.

Poverty and Social Exclusion: As the department responsible for social development, we are working to help ensure that all Canadians can participate fully in society, whether as citizens, workers, parents, volunteers or caregivers. This can be difficult for people who have long-term low-income levels and who lack other key resources.

Canada has made progress on poverty issues. In 2002, the percentage of children living in low-income households was at an all-time low of 10.2 %, down from 15.7 % in 1993.² Public pensions have resulted in significant improvements in the quality of life for Canadian seniors. The low-income rate among seniors dropped from 20.8% in 1980 to 6.9% in 2002 and Canada has the lowest level of relative low-income among seniors of any of the G-7 countries. Nonetheless, pockets of low income persist among seniors, with unattached senior women being particularly vulnerable.

Five groups have been identified as being most at risk of having long-term low income in Canada: lone parents with at least one child under the age of 18; unattached individuals aged 45 to 64; persons who have immigrated to Canada within the past ten years; Aboriginal Canadians; and persons experiencing a work-limiting physical or mental disability. Although employment is the most effective way to escape low income, it is often not enough to relieve Canadians and their families from poverty. The working poor often lack the income and services to leave poverty and participate more fully in society.

Globalization: Heightened international competitive pressures and the rapid adoption of technological changes across countries can serve to increase the need for flexibility in labour and product markets. These changes increase the importance of a flexible and adaptable labour force. Social policies need to work in tandem with economic policies to support individuals and families in adapting to the transitions brought about by globalization and to help them take full advantage of the associated opportunities it provides. Social policies must contribute to the development and maintenance of an educated, diverse and healthy population. Inclusive social protection systems and vibrant and sustainable communities are critical elements in maintaining and improving a country's economy and the quality of life of Canadians.

In this era of globalization, an educated, diverse and healthy population, inclusive social protection systems and vibrant and sustainable communities are critical elements in maintaining and improving a country's economy and its quality of life. Many international standards and benchmarking studies are using social development policy indicators to measure and assess performance. For example, the United Nations

² Based on post-tax low-income cutoffs (LICOs), which are set according to the proportion of post-income tax annual income spent on food, clothing and shelter. The LICO lines are the income levels at which a family spends a share of its post-income tax income on these items that is 20 percentage points higher than that of the average family. The lines are adjusted for the size of the family and community but not for most geographic differences in the cost of living.

Development Report 2004 ranks Canada fourth on its Human Development Index, using a complex basket of measures including GDP per capita, the percentage of children enrolled in primary and secondary education and life expectancy.

Canadians' Service Delivery Expectations: Several factors contribute to the need for all levels of government to continually change the way they deliver information and services and the way they achieve the most cost-effective results. Canadians want citizen-centred services and clearer accountability for results. They expect governments to provide ease of access to information and services, with the assurance of privacy and security. The Government of Canada is responding with more integrated services and service delivery, whether across the programs of a single department, across many departments or in collaboration with other levels of government. These changes demand better use of available technology while taking the appropriate steps to meet privacy and security expectations.

Accountability and Effectiveness: The Canadian government and its citizens expect departments and agencies to achieve increased accountability and effectiveness in all activities. SDC has already updated how it is organized, how it defines and monitors accountability and performance, and how it assess the effectiveness of our programs. Under the Management Accountability Framework, SDC is identifying the actions most likely to generate efficient, effective results with effective stewardship and management of financial and human resources.

SDC Workforce Challenges: The increasing importance of technology, skills and knowledge to workplace tasks and a gradually aging and more diverse workforce are two factors influencing SDC human resource priorities. SDC managers are taking a more forward-looking approach to human resource planning, learning and training, succession development, and issues related to work-life balance.

Social Development Canada Departmental Priorities for 2005-2006

Social Development Canada's priorities for 2005-2006 incorporate the significant social development policy, program and service commitments that the Government of Canada set out during 2004, through the February and October Speeches from the Throne and in Budget 2004.

In developing the following four departmental priorities, we have taken into account the analysis of the trends described in the previous section; the broader policy and program environment; and our anticipated resources.

Departmental Priority 1:

Lead in the development of a social development policy framework and supporting knowledge plan that addresses the social development needs of Canadians.

Canada has a strong base of social programs to address specific needs of particular segments of the Canadian population, such as seniors, children and families, and persons with disabilities. To make effective choices for future policy and program action, Social Development Canada will develop a social development policy framework that does the following:

- ❖ identifies emerging issues and opportunities;
- ❖ reviews the potential role of governments, individuals and families, the marketplace, community organizations and other key stakeholders in addressing these issues and opportunities; and
- ❖ identifies priority areas where policy action by the Government of Canada, and SDC in particular, will be likely to add greatest value.

The framework will draw on research evidence of emerging social issues facing Canadians; lessons learned from previous program experiences; and best practices. The framework will allow SDC to begin to build consensus in social development policy at the federal level by working in partnership with other departments to identify the broader social development goals for the Government of Canada. This will be the key to building momentum for a social development approach for the well-being of Canadians.

A knowledge plan will be developed to support the social development policy framework. The knowledge plan will identify key gaps in the data, the research and the knowledge exchange systems that need to be addressed for us to support evidence-based social development policy. The plan will include an approach to ensuring that existing knowledge is effectively used and will identify areas where more particular research and data are needed to support SDC's mandate.

The introduction to Section II of this report describes SDC plans to define and construct this social development policy framework.

Departmental Priority 2:

Lead on key Government of Canada social development policy commitments.

The Government of Canada has set out a wide-ranging social development policy agenda for SDC to lead. In Budget 2004, the federal government confirmed its commitment to help children get the best possible start in life by accelerating support for quality child care initiatives under the Multilateral Framework for Early Learning and Child Care. It also decided to extend the pilot project, Understanding the Early Years, to help at least

100 more communities gather information about their children's readiness to learn, as well as information on influencing factors and local supports.

In the February 2004 Speech from the Throne, the Government of Canada identified actions related to the needs of persons with disabilities, including the federal government's need to work with its provincial and territorial counterparts to fill education, skills development and workplace support/accommodation gaps. As a follow-up to this commitment, Budget 2004 announced \$30 million in funding for the Labour Market Agreements for Persons with Disabilities. The February 2004 Speech from the Throne and Budget 2004 also included commitments for continued support to the voluntary sector as well as for social economy enterprises that focus on achieving social goals through not-for-profit activities.

The October 2004 Speech from the Throne reaffirmed some of the federal government's previous commitments in support of social economy activities and the implementation of the New Horizons for Seniors program. The Government of Canada also committed itself to increasing the Guaranteed Income Supplement, which provides additional money, on top of the Old Age Security pension, to low-income seniors living in Canada. It also committed itself to actions that, during 2004-2005, began to lead to a partnership with the provincial and territorial governments for a national system of early learning and child care. In recognition of the vital role of Canadians who care for aged or infirmed relatives, the Government of Canada committed itself to improving its existing tax-based support and to asking Parliament to consult across the country on additional initiatives for home-based informal caregivers.

Much of Section II of this report is devoted to SDC plans to ensure that the government meets these commitments to Canadians.

Departmental Priority 3:

Contribute towards improving citizen-centred service delivery.

The Government of Canada recognizes that Canadians have increasing expectations about how they want all organizations to provide service to them. They expect services that are accessible at convenient times and in convenient ways. At the same time, they want support, when needed, in using services.

As noted earlier in this report, SDC has substantial service delivery responsibilities. We are responsible for delivering both SDC and HRSDC services to Canadians, using the Internet and telephone technologies. As well, we are responsible for handling applications and documents for our programs that have been mailed to us. We are also responsible for the information technology and information management that supports the in-person services that HRSDC provides on behalf of both departments. We also manage the Government of Canada's Canadians Gateway Internet portal on behalf of all federal departments and agencies.

We will continue to improve these services and explore other innovations to provide high-quality, cost-effective services to Canadians. In addition to efforts to introduce more automated services and improve our current automated processes, we will also continue work to simplify forms and processes to make it easier for Canadians to receive the programs, services and benefits to which they are entitled. The strategies that we describe in Section II under Strategic Outcome 5 on service delivery provide details of our plans and identify indicators of success.

Departmental Priority 4:

Implement an organization with a focus on excellence, people, sound management and effective accountability aligned to the Management Accountability Framework.

In December 2003, SDC implemented the organizational actions to enable our new department to function and to deliver the shared corporate services to HRSDC that are described earlier in this section. We have pursued this and related work in light of our commitments under the Management Accountability Framework (MAF), which is a set of ten statements summarizing the Treasury Board Secretariat's expectations for modern public service management. Those statements define management expectations within an overall framework for high organizational performance that demonstrates the management strengths and accountability that Canadians deserve and expect. The MAF priorities are being integrated into the business plans of our branches and the performance management agreements of our executives.

As part of this integration, we intend to develop performance measurement indicators and a full MAF strategy and set of priorities during 2005-2006. In addition to their accountability focus, these priorities will also recognize that "people issues" are critical elements of stronger management and accountability. Our focus on human resource management and support; values and ethics; and improving the skills, competencies and supports of people in SDC and HRSDC will better enable our employees to deal directly with Canadians and improve our services to them. We will implement the MAF in such areas as improved planning, strong attention to risk management and enhanced stewardship of public resources. We will demonstrate that we have done so through an integrated planning, priority-setting and resource allocation process. This process will align our priorities and our resources better, both on an ongoing basis and as part of the current Expenditure and Management Reviews. It will be incorporated further as we continue to implement integrated risk management including the development of SDC's first corporate risk profile.

In Section IV, we describe the shared corporate services strategies and initiatives that will generate our expected results under this departmental priority.

Introduction

The program activity architecture for Social Development Canada is organized in a way that reflects the tangible and direct impacts that our policies, programs and service delivery have on particular segments of Canadian society. Each of the five strategic outcomes and five program activities that are described in this section are structured to demonstrate the results for Canadians that SDC generates, and to set out our major strategies and commitments for 2005-2006 and following years. A table summarizing the departmental priorities, program activities, strategic outcomes, commitments and deliverables has been provided at the end of this section.

The SDC Policy Leadership Role

An important part of the SDC mandate is the social development policy leadership role that we have taken up for the Government of Canada, in collaboration with our partners in provincial and territorial governments, and with other sectors of society.

This policy leadership transcends and supports all the SDC strategic outcomes that we describe throughout the rest of this section and is reflected by the *Departmental Priority 1: Lead in the development of a social development policy framework and supporting knowledge plan that addresses the social development needs of Canadians*. It encapsulates our role in identifying major trends and issues affecting social development policy as well as in gathering or supporting the research that enables policy makers to understand the issues and options. Our approach to policy leadership draws on the relevant international trends and experiences that can provide Canadians with informed choices. Since social development policy is an area of shared responsibility in Canada, our approach to policy leadership includes a strong emphasis on engaging all potential partners in understanding common concerns and identifying areas for mutual attention and action.

This work is particularly significant because the Government of Canada is increasingly seeking to achieve results through coordinated, coherent strategies that involve the contributions of many federal departments and the engagement of many partners. SDC's social development policy leadership role is important in helping to influence these efforts. We draw on our information, analysis, contacts and experiences to play a leadership role with other federal departments. Doing so ensures an integrated and coordinated approach to social development policies, issues and priorities, which is what the federal government expects and which means results for Canadians.

All these social development policy efforts will be fundamental to supporting Ministers, the Government of Canada and the government's partners in defining how best to address trends and issues of importance to Canadians over the years to come.

Key Deliverable 1:**Create a social development policy framework to identify and help address the social development needs of Canadians.**

During 2005-2006, we will construct a social development policy framework that will be used, first, to monitor the status of key elements affecting social development, and second, to identify emerging social policy issues for Canadians.

To support this initiative, we will continue to develop an SDC knowledge plan for 2005-2008. This plan will propose a framework to help us fill key social “info-structure” gaps in Canadian social development data, information and knowledge systems; fill knowledge gaps in key research areas on social development as a part of a larger strategy; and ensure effective exchange, use of knowledge and strategic management of key partnerships. We will also develop a social indicator framework to help us to engage other federal government departments, as well as provincial and territorial governments and other key players, to achieve consensus on social development goals and priorities for the Government of Canada.

The key elements of the SDC knowledge plan have been validated by an external research advisory committee composed of leaders of research organizations, of government officials, of representatives from NGOs and of recognized Canadian leaders in policy research. SDC will continue to seek advice from that committee on implementing the knowledge plan.

SDC will develop a federal-provincial relations strategy designed to strengthen our interactions with the provincial governments on social development policy issues. This work will recognize the social development policy jurisdiction and experience of the provinces. We believe we can build on the strong links that governments in Canada have built in dealing with issues of shared importance, such as getting children off to the best start in life possible and improving the participation of persons with disabilities in their communities.

Engaging Canadians will be a central feature of how our department informs them of our priorities. Only through public involvement at the local level, with citizens and groups who have experiences and knowledge to share, can we fulfill our mandate. For this reason, SDC will use multi-faceted approaches to discuss with Canadians the key social development policy challenges and solutions.

Another aspect of our work will be to develop an international relations strategy. This will ensure that we draw on the experiences of other countries in assessing and addressing similar social development policy challenges. It also will enhance Canada’s international leadership role on social development policy issues.

These policy leadership activities, along with our commitment to leading the creation of a social development policy framework for Canada, provide important complements to the activities described in the rest of this section.

Strategic Outcome 1:**A Canada where the quality of life and inclusion for Seniors is enhanced and poverty alleviated through sustainable public pensions, benefits and supports.**

In 2003, 4.1 million Canadians were 65 years of age or older. Their numbers are expected to reach 6.4 million in 2020 – or nearly one in five Canadians – making them the fastest growing age group in Canadian society. Seniors today are generally healthier, better educated and economically better off than seniors of previous generations. They are also enjoying longer lives. As of 2002, a 65-year-old person had an estimated remaining life expectancy of 19.1 years, roughly two years more than in 1979, three years more than in 1971, and five years more than in 1921.

While many federal government departments and agencies provide services and supports that benefit seniors, Social Development Canada makes a particularly significant contribution to the social well-being of seniors. We are responsible for the income support that seniors receive from the Canada Pension Plan (CPP) and the Old Age Security (OAS) benefit programs. This strategic outcome focuses largely on our responsibility for overall policy and program activities related to the well-being of seniors, rather than the direct delivery of services to them, which is addressed under Strategic Outcome 5. It also includes our increasing attention to broader policy issues related to the needs of seniors and an aging society.

CPP and OAS benefits payments represent the largest element of overall SDC expenditure, as shown in the following tables. Those payments are supported by the necessary administrative and operational functions that ensure the best possible service to seniors. Such functions include processing and adjudicating applications, supporting appeals processes, dealing with changes in client circumstances, working with partners (such as other income support providers to improve service to shared clients), and communicating with Canadians so they can better understand the retirement income system.

SECTION II – Analysis of Program Activities by Strategic Outcome

Program Activity Name: Income Support ¹

	2005-2006	2006-2007	2007-2008
Financial Resources (\$ millions)			
Operating Expenditures (gross)	408.0	411.3	411.6
Statutory Grants and Contributions: ²			
Old Age Security	22,209.0	23,059.0	-
Guaranteed Income Supplement	6,315.0	6,901.0	-
Allowances	451.0	478.0	-
	28,975.0	30,438.0	-
Total	29,383.0	30,849.3	-
CPP Benefits ²	21,529.1	22,532.7	
Total	50,912.1	53,382.0	
Human Resources (FTEs)	4,139	4,016	3,985

¹ The above figures include 450 FTEs and \$25 million related to ISP telephone services which also serve to support Strategic Outcomes 2 and 5. For further information on how these resources will benefit Canadians, please refer to the section entitled Strategic Outcome 5: A Canada where service delivery is focussed on citizen needs.

² Forecasted expenditures for the Canada Pension Plan (CPP) and Old Age Security (OAS) are available only for the planning years 2005-06 and 2006-07.

In addition to our ongoing activities, we have identified one key deliverable for 2005-2006.

Key Deliverable 1:

Lead on seniors policy issues and programs on behalf of the Government of Canada.

Budget 2005

Guaranteed Income Supplement benefits for low-income seniors will be increased by \$2.7 billion over five years as a result of increases in monthly benefits of \$36 for singles and \$58 for couples by January 2007. Corresponding increases will also be extended to recipients of both the Allowance and the Allowance for the Survivor benefits.

A total of 1.6 million GIS recipients will benefit from this increase (including more than 50,000 seniors who will become eligible for benefits as a result of the change). The increase will be of particular benefit to senior women, who account for over 1 million of the seniors receiving GIS benefits.

Budget 2005 also proposes to set aside a further \$13 million over five years for a National Seniors' Secretariat, to be established within SDC, to serve as a focal point for collaborative efforts to address the new challenges facing seniors. The Secretariat will be tasked with working with seniors organizations on an ongoing basis, conducting research, developing seniors-related policy, and promoting better coordination of government programs and services that matter to seniors.

In 2003 and 2004, the Government of Canada supported initiatives to analyze the situation facing Canada's seniors and to identify possible options for action. One message came through clearly from many Canadians who contributed their views to these efforts. They called for more integrated approaches to get the best results from the actions of different federal government departments, different orders of government and other partners serving seniors.

In response, the Government has given SDC the leadership role for federal policies and issues involving seniors. We will be a partner to all government departments, to provincial and territorial governments and to others that are also active on these issues. We will work together to identify strategies and specific steps to better meet the changing needs of Canadians seniors. As well, our regional operations will continue their support for projects under the New Horizons for Seniors program, which is discussed further in Strategic Outcome 3.

Our seniors policy and program leadership role includes our ongoing leadership and advice on public pension and retirement income systems through international organizations, such as the International Social Security Association. A particular area of attention will be to increase the number of agreements that Canada has with other countries that enable current and former residents of Canada to gain public pension credit for eligible employment in other countries.

SDC will also ensure the ongoing effectiveness of the CPP and OAS. Our ongoing examination of these programs is driven by the need to ensure that they are, and remain, relevant for seniors. Our work will consider the particular needs of low-income seniors, changing social structures and relationships, the transition from work to retirement, and the need to seek opportunities to simplify existing rules to achieve better client outcomes and improve administration. The focal point for this work in 2005-2006 will be our participation in the regular triennial review of the CPP, which will take place in collaboration with the Department of Finance and provincial governments. That review will assess CPP-related policy and operational issues and may include proposals for changes.

We will also continue our ongoing efforts to ensure that persons eligible for CPP and OAS benefits are aware of how to apply for them. This will be part of broader efforts to respond to the recommendations of parliamentary committees, the Auditor General and our own analysis of how to improve our programs and services.

Strategic Outcome 2:

A Canada where the social and economic participation of Persons with Disabilities is enhanced.

Social Development Canada is lead department for the Government of Canada on issues affecting persons with disabilities. This role includes coordinating steering committees and working groups to advance comprehensively the Federal Disability Agenda. As well, we facilitate cohesive federal government social programs and services for persons with disabilities.

SECTION II – Analysis of Program Activities by Strategic Outcome

SDC invests significant resources in specific support of persons with disabilities as part of our commitment to promoting the full participation of all Canadians in learning, work and community life. Through our policy and program initiatives, we work with partners to help ensure that each person who has a disability can contribute to his or her full potential.

For example, the enhanced social and economic participation of persons with disabilities is supported through the disability benefits that are payable to eligible individuals under the Canada Pension Plan.³ These CPP benefits account for most of our expenditures under this strategic outcome. Another component of expenditures relates to administration and service costs, such as those related to benefits processing, adjudication and supports for people receiving CPP-Disability benefits in returning to work.

We are also responsible for programs and services that are described in detail later under this strategic outcome, specifically the Opportunities Fund for Persons with Disabilities and Labour Market Agreements for Persons with Disabilities. The disability component of the Social Development Partnerships Program is described in more detail under Strategic Outcome 3. These initiatives are taking place in the larger context of our work with other government departments, the provincial and territorial governments, the disability community and other partners to address disability issues in more coordinated and coherent ways, which is the focus of all our disability policy efforts.

Program Activity Name: Inclusion and Participation			
	2005-2006	2006-2007	2007-2008
Financial Resources (\$ millions)			
Operating Expenditures (gross)	114.6	120.7	115.4
Non-Statutory Grants and Contributions	254.7	248.7	248.7
Total	369.3	369.4	364.1
CPP Benefits ¹	3,323.0	3,449.9	
Total	3,692.3	3,819.3	
Human Resources (FTEs)	1,185	1,170	1,162

¹ Forecasted expenditures for the CPP are available only for the planning years 2005-06 and 2006-07.

In addition to our ongoing activities, we have identified two key deliverables for 2005-2006.

³ <http://www.sdc.gc.ca/en/gateways/topics/cdp-gxr.shtml>

Key Deliverable 1:

Lead in the development of an agenda for the participation and inclusion of persons with disabilities on behalf of the Government of Canada.

Budget 2005

The Budget includes a range of tax measures for persons with disabilities and their caregivers. These include a doubling, to \$10,000, of the maximum amount of medical- and disability-related expenses that caregivers can claim on behalf of their dependants, beginning with the 2005 taxation year. While these measures do not directly involve SDC resources, they will draw on our leadership on disability and caregiver issues.

Budget 2005 provides a \$6-million contribution in 2005–06 to assist the Canadian National Institute for the Blind (CNIB) in improving the accessibility of information and written culture for Canadians with print disabilities. These funds will help the CNIB to digitize its collection and extend its library services to Canadians across the country.

In the February 2004 Speech from the Throne, the Government of Canada identified priorities for action within its own departments and agencies, with provincial and territorial governments and with the disability community and other partners to ensure sustained progress toward full citizenship for persons with disabilities. Our planned work with these partners will build on shared efforts to date.

In Unison: a Canadian Approach to Disability Issues, which the federal, provincial and territorial ministers responsible for social services released in 1998, is the starting point for this work.⁴ This document describes the vision and long-term policy directions aimed at promoting the full citizenship of persons with disabilities in all aspects of Canadian society. Based on the values of equality, inclusion and independence, it addresses three major areas of concern for persons with disabilities: employment, income and disability supports.

We will work toward coherent disability agendas within the Government of Canada and across all jurisdictions. That process will allow Ministers to identify short-term goals, strategies, responsibilities and priorities for action. The agendas will enable governments to identify better ways to link or improve existing programs and services to provide simpler and more coherent supports. They will help to identify potential new programs and services.

New information and evidence will aid this process, consistent with our broader commitment under Departmental Priority 1 to build a social development policy framework. For example, work in 2005-2006 will benefit from the report *Supports and Services for Adults and Children with Disabilities in Canada: an Analysis of Data on Needs and Gaps*, which the federal, provincial and territorial ministers responsible for social services released in December 2004.⁵ Our support for the next version of the Participation and Activity Limitation Survey (PALS), which Statistics Canada will

⁴ http://www.socialunion.ca/pwd/unison/unison_e.html

⁵ <http://www.socialunion.ca/pwd/gapsreport2004.html>

SECTION II – Analysis of Program Activities by Strategic Outcome

conduct through the 2006 census, will also help partners understand the current situation facing persons with disabilities and extend what we learned through the 2001 PALS.⁶

We expect that the work completed to date, and the further development of these disability agendas, will help Canada become an international leader of action on disability issues. We will also contribute to the development and negotiation of a United Nations convention to promote and protect the rights of persons with disabilities.

Key Deliverable 2:

Enhance SDC programming in support of persons with disabilities.

As noted above, Social Development Canada has a range of programming that supports persons with disabilities. During 2005-2006, we will explore and implement improvements to them and seek program support from other sources.

Our department has put in place new measures to assist more CPP Disability (CPPD) beneficiaries to try to return to work.⁷ In 2004-2005, an amendment to the Canada Pension Plan came into force to permit the reinstatement of CPPD benefits for clients who return to work, have their benefits cease and then cannot continue to work due to a recurrence of the same or a related disability. This new automatic reinstatement entitlement extends for two years from the time the CPPD benefits cease. The objective is to encourage more CPPD clients to try employment by reducing the risk of losing the income support safety net if their disability recurs after they have returned to regular employment.

An additional measure to be implemented fully in 2005-2006 is the delivery of a comprehensive continuum of return-to-work supports tailored to the individual needs of CPPD beneficiaries. The objective is to help more CPPD clients to work to their potential.

In keeping with the Government of Canada's commitment to provide Canadians with streamlined and comprehensive access to services, our department will explore simplification by pilot testing a new telephone-assisted CPPD application process. The pilot project will involve SDC staff contacting applicants to help them complete required forms on the telephone. Information received this way will then be mailed to the client for review, signature and return. We will evaluate the pilot results to guide possible future implementation.

The first comprehensive evaluation of CPPD since 1996 will begin in 2005-2006 and is expected to be completed in the following fiscal year.

We will take into account the recommendations of a 2004 review, submitted to Treasury Board Secretariat by the Office for Disability Issues, regarding the Labour Market Agreements for Persons with Disabilities and the Opportunities Fund as we facilitate coordination and coherence in labour market programming targeted to persons with disabilities. This will guide us as we renew the Opportunities Fund. It will also facilitate

⁶ <http://www.statcan.ca/english/freepub/89-577-XIE/index.htm>

⁷ <http://www.sdc.gc.ca/asp/gateway.asp?hr=en/isp/pub/factsheets/vocrehab.shtml&hs=cdp>

our discussions with the provincial and territorial governments as we identify how to address the scheduled end of the Labour Market Agreements for Persons with Disabilities on March 31, 2006.

We expect those discussions to draw on such experiences as the December 2004 release by all provincial governments, excluding Quebec, of their baseline reports under the Multilateral Framework for Labour Market Agreements.⁸ In those reports, the provincial governments reported on objectives, descriptions, target populations and planned expenditures for funded programs and services, as well as on selected societal indicators (employment income, educational attainment and employment rate of working age persons with disabilities). Governments will report on the same indicators, beginning in December 2005, using the baseline reports as a benchmark for comparison. They will also add new program indicators for participants taking part in programs and services and for the results.

Under the Social Development Partnerships Program – Disability Component, we will implement and refine a new grants and contribution application that has better impact and outcomes targets, along with a new project development process. This should better support the work of disability community voluntary organizations that advance the inclusion of persons with disabilities. This forms part of our overall support for community capacity building, which is described in detail under Strategic Outcome 3.

Strategic Outcome 3:

A Canada where vibrant and inclusive communities meet the social development needs of Canadians.

Social Development Canada recognizes that communities are a pillar of social development and that vibrant and inclusive communities foster the social well-being of their members. Our work also recognizes the contributions that local, regional and national voluntary sector organizations make to communities and to identifying innovative, effective responses to social issues, which in turn generates insights from which other communities can learn.

While many Government of Canada departments and agencies work in and with communities, SDC has a clear community focus in our planning, policies and programs. For example, programs such as our Social Development Partnerships Program (SDPP), our responsibility for the Voluntary Sector Initiative (VSI) and our efforts to build a policy framework for the social economy, are all intended to strengthen the capacity of communities to act on social issues of importance to individuals and families.^{9 10} Our responsibility for the Understanding the Early Years and New Horizons initiatives

⁸ While Quebec subscribes to the general principles of the Multilateral Framework, it did not endorse it. Quebec's departments and agencies responsible for programs for persons with disabilities submit an annual report under Quebec's *Public Administration Act* and their results-based management framework was established by that Act. Quebec did not commit to, nor did it release, a baseline report on December 3.

⁹ http://www.sdc.gc.ca/en/hip/sd/05_SDPP.shtml

¹⁰ <http://www.vsi-isbc.ca/>

SECTION II – Analysis of Program Activities by Strategic Outcome

recognizes the importance of community engagement in programs and services that support the full participation of young children, families and seniors in their communities.^{11 12}

This strategic outcome is focused on our responsibility for overall policy and program activities to strengthen the voluntary sector and support the social development work of non-profit organizations, as well as community-based initiatives that promote partnerships and collaborations to address the needs and promote the full inclusion of persons with disabilities, children and families, and seniors.

Program Activity Name: Vibrant Communities			
	2005-2006	2006-2007	2007-2008
Financial Resources (\$ millions)			
Operating Expenditures (gross)	24.7	25.5	26.8
Non-Statutory Grants and Contributions	42.4	46.6	53.3
Total	67.1	72.1	80.1
Human Resources (FTEs)			
	149	140	139

In addition to our ongoing activities, we have identified one key deliverable for 2005-2006.

Key Deliverable 1:

Lead in the development of community capacity to respond to local social issues.

Budget 2005

Funding for the New Horizons for Seniors program will be increased from \$10 million to \$25 million a year to promote voluntary sector activities by and in support of seniors (an additional \$5 million in 2005–06, \$10 million in 2006–07 and rising to \$15 million in 2007–08 and subsequent years, bringing the annual budget to \$25 million). These increases will help meet a range of identified needs within the seniors' community.

During 2005-2006, we will work on a range of initiatives that are designed to build the capacity of communities. SDC is continuing to build on long-term commitments as described in our 2004-2005 *Report on Plans and Priorities*. For example, we will expand the Understanding the Early Years (UEY) initiative to cover up to 100 communities over seven years (2004-05 to 2010-11). This expansion will begin with an initial call for proposals and a selection process that will identify up to 25 new UEY communities beginning in 2005-2006. The UEY initiative and the call-for-proposal process are supported by regional promotion, communication and liaison.

¹¹ http://www.sdc.gc.ca/en/hip/sd/300_UEYInfo.shtml

¹² <http://www.sdc.gc.ca/en/isp/horizons/toc.shtml>

As noted under Strategic Outcome 1, we will implement funding under the New Horizons for Seniors Program for projects designed to enhance the participation of seniors in their communities. We will also continue to act on our commitment under the Official Languages Action Plan to strengthen the capacity of national non-governmental organizations to promote linguistically and culturally sensitive early learning and child care policies, programs and services for families in official-language minority communities.

We intend to act on the October 2004 Speech from the Throne commitment to foster the social economy, which it described as “the myriad not-for-profit activities and enterprises that harness civic and entrepreneurial energies for community benefit.” In our capacity as lead federal department, we are working with Industry Canada and the Regional Development Agencies on their initiatives focused on the social economy. In the longer-term, we will build on these initiatives by examining how we do business as a government and will be looking for ways to improve the access of social economy enterprises to federal government programs, be it supporting small- and medium-sized enterprises, procurement or fostering innovation. We will continue to support the Parliamentary Secretary to the Minister of Social Development, with special emphasis on Social Economy, who provides federal leadership in the development of current initiatives and who serves as chair of the National Round Table on the Social Economy.

More generally, we intend to work with the voluntary sector, provincial and territorial governments, communities and other partners to identify how we can build a more coherent approach for community capacity building. As part of this, we will establish broad, cross-sectoral engagement networks to promote knowledge sharing and collaboration on new and innovative approaches that enable communities to address the social development needs of their citizens. We will support our regional staff as they establish the capacity for managing and coordinating social development programs, knowledge and information development, and stakeholder engagement, which is crucial to progress.

Collaboration with, and strengthening of, the non-profit and voluntary sector will continue to be a critical element of our community capacity-building strategies. While this is consistent with the overall SDC approach to addressing social development in Canada, it will also follow through on the federal government’s commitment in the February 2004 Speech from the Throne to “strengthen the capacity and voice of philanthropic and charitable organizations and to mobilize volunteers” through actions under the Voluntary Sector Initiative (VSI). This will involve work with the voluntary sector to complete the outstanding VSI commitments.

We expect to integrate our current voluntary sector and community inclusion programming into a coherent approach for community capacity building. We will also create the Task Force on Community Investment, which will work with key federal departments and the voluntary sector to examine flexible funding instruments guided by the *Voluntary Sector and Government of Canada Code of Good Practice on Funding*. While the VSI will end as a horizontal, government-wide initiative in March 2006, our work will set the stage for future activities with this sector.

Our Social Development Partnerships Program (SDPP) will continue to be a major vehicle for our community capacity-building support. We will continue to make strategic

investments under the early-learning, child-care, social-inclusion and disabilities components of the program.

To meet the objectives of SDPP, we will build relationships with organizations in the non-profit sector. For example, we will evaluate the impact and continued relevance of the SDPP Community Inclusion Initiative, which has fostered community capacity for the inclusion of persons with disabilities in more than 500 communities across Canada. We expect to build on the successes of that initiative by developing “strategies for the future” and demonstrating a “community systems” approach to building communities that are inclusive of persons with disabilities. We previously noted our SDPP work with the disability community under Strategic Outcome 2.

Strategic Outcome 4:

A Canada where the capacities of Individuals, Children, Families and Communities are strengthened in order to promote social inclusion, participation and well-being.

The Government of Canada recognizes that families and communities can benefit from well-designed supports that enable them to better address their needs, whether it is to help children get off to the best start in life or to respond to the reality that more Canadians are providing informal care to senior relatives, relatives with disabilities or other people with special needs.

Under this strategic outcome, Social Development Canada is identifying and acting on priority supports that meet government-wide objectives and commitments. For example, the federal government appreciates that many Canadians are taking on caregiving roles that provide invaluable assistance to seniors and persons with disabilities. As the demand for family and informal caregivers is growing in a time where the strain on these individuals is increasing, informal caregiving is an emerging area of attention for social development policymakers in Canada.

Similarly, the Government of Canada and its many partners understand that the well-being of children is a determinant of quality of life and our future productivity. There is a strong consensus that income support for low-income families, combined with service support for all parents, is important to achieving social well-being for all children.

Because the early years establish the foundation that will affect learning, behaviour and health in later life, the federal, provincial and territorial governments have recognized support for early childhood development, with a particular focus on early learning and child care, as a key priority. We already provide such programs and services as the Child Disability Benefit and Canada Pension Plan, as well as benefits to children of deceased contributors and to children of disability benefit recipients. In addition, SDC leads the federal government’s collaboration with the governments of the provinces and territories on three major initiatives:

SECTION II – Analysis of Program Activities by Strategic Outcome

- ❖ the National Child Benefit;
- ❖ the Early Childhood Development Agreement; and
- ❖ the Multilateral Framework on Early Learning and Child Care.

Each of these ongoing horizontal initiatives is described in detail in Section III, Table 8. Under each of the federal-provincial-territorial agreements that guide these initiatives, participating governments have agreed to common policy objectives and to the kinds of contributions that each government would make to realize the objectives of each initiative. Social Development Canada is actively involved in facilitating learning and reporting on results under each initiative. During 2005-2006, we will continue to ensure effective implementation of the commitments outlined in the National Child Benefit, the Early Childhood Development Agreement and in the Multilateral Framework on Early Learning and Child Care. We will also support other actions, such as research into pilot projects to develop knowledge on program interventions that promote the French language and culture in minority-language communities.

Program Activity Name: Investments in Children and Families ¹			
	2005-2006	2006-2007 ²	2007-2008 ²
Financial Resources (\$ millions)			
Operating Expenditures (gross)	4.4	29.5	29.5
Human Resources (FTEs)	23	22	22

¹ The National Child Benefit initiative is delivered by the Canada Revenue Agency and the Government of Canada mainly supports the Early Childhood Development Agreement and the Multilateral Framework on Early Learning and Child Care objectives via the Canada Social Transfer to provinces and territories. These resources have been specifically allocated for the purposes of the National Child Benefit Initiative. Over time, workload on these resources has grown to include activities associated with the Multilateral Framework on Early Learning and Child Care and the Early Childhood Development Agreements. Additional workload pressures have often necessitated a temporary reallocation from corporate policy resources on a priority, not ongoing, basis.

² The Government of Canada in the Budget 2005 committed \$100 million (\$25 million per year over four years) for the development of a new accountability package that will support improved research and the development of common evidence-based indicators and benchmarks.

In addition to our ongoing activities, we have identified two key deliverables for 2005-2006.

Key Deliverable 1:

Lead in the efforts related to a new initiative to improve and expand early learning and child care in Canada on behalf of the Government of Canada.

Budget 2005

The Government committed \$5 billion over five years to start building a framework for an Early Learning and Child Care initiative in collaboration with provinces and territories. Out of this \$5 billion commitment, the Government of Canada will devote \$100 million to First Nations on reserve, continuing to work in partnership with them to find practical solutions that address on reserve early learning and child care needs.

SECTION II – Analysis of Program Activities by Strategic Outcome

The Government of Canada commits a similar portion of the \$5 billion—\$100 million for the development of a new accountability package that will support improved research and the development of common evidence-based indicators and benchmarks.

This commitment for First Nations children and families on reserve builds on recent budgets' commitments to strengthen programs on reserve for First Nations children, which have included:

- ❖ *\$320 million over five years (\$65 million a year ongoing) for early childhood development programming for First Nations and other Aboriginal children.*
- ❖ *A total of \$45 million over three years (\$14 million a year ongoing) for early learning and child care for First Nations children living on reserve.*

This will ensure that First Nations children share in the national commitment to the best possible start in life for Canada's children. Implementation of these funds will draw on the outcomes of community consultations, upcoming assessments of programs and how they are delivered, and the Aboriginal roundtable discussions.

To help meet the commitment in the October 2004 Speech from the Throne, Social Development Canada will continue work with provincial and territorial counterparts to develop a new initiative to improve and expand early learning and child care across the country. Governments are aiming to establish a long-term vision that includes measurable goals and shared principles of quality, universally inclusive, accessibility and developmental. There would be strong accountability combined with the provincial and territorial flexibility to address particular needs and circumstances.

Once developed, Social Development Canada will monitor the implementation of the new initiative on early learning and child care, including reporting from provincial and territorial governments. This will be complemented by federal government reporting on early learning and child care in Canada, including reporting on activities and expenditures under federal jurisdiction. Our department will also collaborate with provinces and territories to develop and implement an enhanced knowledge, information and data strategy for early learning and child care.

In keeping with our role of providing policy leadership within the government of Canada on issues related to young children, Social Development Canada will provide policy advice on the development of a complementary Aboriginal strategy on early learning and child care, in partnership with Indian and Northern Affairs Canada, Health Canada and Human Resources and Skills Development Canada.

Key Deliverable 2:

Develop policy options to support family/informal caregivers of seniors and persons with disabilities.

Budget 2005

The Budget includes a range of tax measures for persons with disabilities and their caregivers. These include a doubling, to \$10,000, of the maximum amount of medical-

and disability-related expenses that caregivers can claim on behalf of their dependants, beginning with the 2005 taxation year. While these measures do not directly involve SDC resources, they will draw on our leadership on disability and caregiver issues.

More and more Canadian seniors and persons with disabilities are receiving care in their own home, very often from family members, but also from friends and neighbours. Most of these people prefer home-based care as an option and the caregivers usually find their roles rewarding.

Canada's family and informal caregivers provide services that are critical to maintaining the independence at home of the frail elderly and persons with disabilities. However, current demographic trends include the aging of the population, the increased longevity of the elderly, the shift from institutional care to community care, the increased labour market participation of women, and smaller and more dispersed families. These trends show a fundamental conflict in the growing demand for caregivers at a time when the supply of caregivers is diminishing. Caregivers are feeling the strain and often have trouble managing multiple demands on their time.

The Government of Canada recognizes the vital role of Canadians who provide informal care for relatives or members of their communities who are older or who have disabilities. It recognizes the challenges these Canadians may face in balancing their professional lives, personal health needs and family and caregiving responsibilities. It also knows that many Canadians are faced with the dual role of raising their children while being informal caregivers to aging parents or persons with a disability. At their November 2004 meeting, the federal, provincial and territorial ministers responsible for social services discussed working together to develop a comprehensive strategy to support these home-based caregivers.

During 2005-2006, Social Development Canada, as the lead federal department on informal caregiving issues, will continue to work on policy development and analysis with respect to Canadians who provide home-based care to family members and friends. We will work closely with the provincial and territorial governments, as well as with other federal departments, to develop a comprehensive strategy to support home-based informal caregivers of seniors and persons with disabilities. We will also continue to consult with stakeholder groups, Canadians and Parliamentarians to ensure that the development of our agenda takes into account different perspectives.

Strategic Outcome 5:

A Canada where service delivery is focussed on citizen needs.

Each year, more than 4.6 million Canadians rely on Social Development Canada (SDC) for direct programs and services. Canadians, businesses and voluntary sector organizations want consistent, high-quality service from governments. They want governments to make it easier and more convenient to obtain services. They want those services to be operated in ways that control costs and ensure that the right client receives the right service or benefit at the right time and for the intended purpose.

SECTION II – Analysis of Program Activities by Strategic Outcome

During 2005-2006, we will continue our day-to-day work to deliver high-quality services to Canadians as measured by performance indicators such as:

- ❖ the percentage of SDC/HRSDC payments to Canadians made on time; and
- ❖ the percentage availability of SDC/HRSDC automated service channels to Canadians (Citizen Access Work Stations in local offices, Internet-delivered services and Interactive Voice Response telephone services).

We will work continually to improve and simplify the forms that Canadians use to apply for Canada Pension Plan and Old Age Security benefits. We will also train front-line staff, address risks to program integrity, track and correct issues that lead to errors, and communicate with Canadians to enhance their understanding. Our choices will be guided by feedback from clients and staff, by audit results and by the best practices of others. Many of these service delivery efforts will continue to be supported by the information technology resources that not only help transform SDC operations to achieve our future service objectives but also ensure the effectiveness of our existing service delivery to Canadians.

Program Activity Name: Service Innovation ¹

	2005-2006	2006-2007	2007-2008
Financial Resources (\$ millions)			
Operating Expenditures (gross)	60.8	62.5	62.2
Human Resources (FTEs)	811	797	792

¹ The above figures exclude 450 FTEs and \$25 million related to ISP telephone services which serve to support this strategic outcome, in addition to Strategic Outcomes 1 and 2. These resources are linked to statutory benefits (CPP and OAS) and are included under Strategic Outcome 1.

In addition to our ongoing activities, we have identified one key deliverable for 2005-2006.

Key Deliverable 1:

Enhance the development of a horizontal, citizen-centred approach to service through new models of direct delivery, while ensuring the integrity of social programs.

Budget 2005

The delivery of federal services and programs to Canadians will be improved by moving forward with the Service Canada initiative over three years. Service Canada will provide one-stop service to Canadians by phone, on the Internet, and in person for social benefits and other programs. This will bring together the many services and benefits offered to Canadians, including those of SDC, by creating a common, integrated service delivery capability. It will deliver seamless service that is integrated, easy to access, simple to use, and tailored for the individual circumstance. It will enhance the integrity of programs, such as the Canada Pension Plan, by building public trust and confidence and ensuring that the right client receives the right service or benefit at the right time and for the intended purpose.

Over time, Service Canada will reach over 30 million Canadians, serve 1.3 million employers and provide one-stop service for most government services—including assistance in finding a job, delivering income support, helping education and skills development, and many more services. It will increase the service Canadians receive at the first point of contact and improve the efficiency of service delivery across government.

Due to the scope and reach of our programs and of the HRSDC programs that we deliver through our telephone and Internet channels, SDC will continue to make progress on service delivery transformation. We will continue to provide leadership and support in the design, development and implementation of a horizontal, citizen-centred approach to our program service delivery during 2005-2006. This will take place while we continue to ensure that Canadians receive high-quality, timely and relevant service focused on their needs and on established standards of service excellence.

In 2005-2006, SDC will build on recent actions to re-engineer our service delivery to Canadians to generate a more positive experience for the people who turn to us for programs and services. We will also explore and introduce solutions to simplify and automate our internal processes and to reduce SDC operational costs. This will involve further automation, streamlining and simplification of our forms and processes.

Our client-centred approach will include continuing to explore how best to move toward a common information base to serve many programs, with full attention to privacy and security of information. This would mean Canadians would not need to provide the same information repeatedly when dealing with various programs. That would complement our efforts to integrate processes for Canadians to apply for federal and provincial or territorial programs such as pensions.

To support service delivery improvements that depend on the use of personal data, we will continue to identify and act on ways to improve the integrity of the Social Insurance Number (SIN) system. As part of this, we will work toward establishing the SIN as the foundation for common client identity and citizen relationship management for government programs.

We will also enhance data exchange with other federal departments and with provincial and territorial government departments that track vital events such as births and deaths. This will increase continually the completeness of the Social Insurance Registry that is the basis of the SIN system. Security is critical. As such, we will use risk-based approaches to improve our adjudication and investigation functions. We will implement processes and develop the necessary tools to manage personal information effectively and to respect individual privacy.

Another aspect of our client-centred service direction is the concept of “service offerings.” This involves bundling as many services as possible that will be of interest to a particular group of Canadians to provide more seamless and comprehensive service to them. During 2005-2006, we will finalize the design of service offerings, initially for persons with disabilities, with other work focused on service offerings for seniors. We will test the design of an information tool to assist service delivery staff to provide accurate, timely and appropriate information to clients with disabilities about programs and services that could be of interest to them.

SECTION II – Analysis of Program Activities by Strategic Outcome

A key aspect of client-centred service and of generating the best results from our service investments is to ensure that all channels of service delivery (whether in-person, by mail, by telephone or online) work in an integrated way. For example, we will improve service through front-line staff, whether on the telephone or in person. To achieve this we will train staff and introduce a new toolkit to allow them to easily access information about other federal and provincial programs for clients. We will also work with other government departments and jurisdictions to coordinate efforts in the interests of improving service to citizens.

We intend to offer more services online and to promote these services as part of a larger effort to expand the use of our self-service options. The move to more automated services, including through the Canadians Gateway Internet portal that SDC manages on behalf of the entire government, will be matched by efforts to reduce the use of paper forms and documents. This will also involve new approaches that are expected to improve how we process forms and documents, particularly for clients with ongoing or more complex cases.

SDC's corporate information systems and technologies are fundamentally important to both current and future service delivery improvements. For that reason, while we will continue to ensure effective systems operations for current service delivery and support needs, we will also pursue information management and information technology renewal. We expect this will enable us to get the most from our investments for Canadians, and particularly for our clients. We will enable the delivery of benefits and services to Canadians, as well as our transformation initiatives, through proactive, secure and reliable information technology services. We expect to focus our information technology resources by moving to shared computer applications that can be used in more than one place, where possible.

Given the challenge of getting the best results in service delivery from a constrained budget, we will introduce a Performance Measurement Framework that will enable us to define priorities, measure results and determine corrective actions in a more consistent and balanced way. This will help us identify savings that we can apply to meeting additional opportunities to improve service to Canadians.

The following table summarizes the linkages between our departmental priorities, program activities and strategic outcomes, while referencing recent Government of Canada commitments and identifying the related key SDC deliverables for 2005-2006.

SECTION II – Analysis of Program Activities by Strategic Outcome

Departmental Priority	Program Activity	Strategic Outcome	Government Commitments	Departmental Key Deliverables
Priority #1: Lead in the development of a social development policy framework and supporting knowledge plan that addresses the social development needs of Canadians.	<ul style="list-style-type: none"> • Strategic policy functions support all program activities. 	1,2,3,4 & 5	<ul style="list-style-type: none"> • Ongoing • SFT (February 2004) • SFT (October 2004) 	Develop a/an: <ul style="list-style-type: none"> ➤ social development policy framework ➤ knowledge plan ➤ federal-provincial relations strategy ➤ engagement strategy
Priority #2: Lead on key Government of Canada social development policy commitments.	<ul style="list-style-type: none"> • Income Support • Inclusion and Participation • Vibrant Communities • Investment in Children and Families 	1, 2, 3 & 4	<ul style="list-style-type: none"> • Ongoing • SFT (February 2004) • SFT (October 2004) • Budget 2004 	<ul style="list-style-type: none"> ➤ Lead on seniors policy issues and programs on behalf of the Government of Canada ➤ Lead in the development of an agenda for the participation and inclusion of persons with disabilities on behalf of the Government of Canada ➤ Enhance SDC programming in support of persons with disabilities ➤ Lead in the development of community capacity to respond to local social issues ➤ Lead in the efforts related to a new initiative to improve and expand early learning and child care in Canada on behalf of the Government of Canada ➤ Develop policy options to support family/informal, caregivers of seniors and persons with disabilities

SECTION II – Analysis of Program Activities by Strategic Outcome

Departmental Priority	Program Activity	Strategic Outcome	Government Commitments	Departmental Key Deliverables
Priority #3: Contribute towards improving citizen-centred service delivery.	<ul style="list-style-type: none">• Service Innovation	5	<ul style="list-style-type: none">• Ongoing• Expenditure Review	<ul style="list-style-type: none">➤ Enhance the development of a horizontal, citizen-centred approach to service through new models of direct delivery, while ensuring the integrity of social programs
Priority #4: Implement an organization with a focus on excellence, people, sound management and effective accountability aligned to the Management Accountability Framework.	<ul style="list-style-type: none">• Management functions support all program activities.	1,2,3,4 & 5	<ul style="list-style-type: none">• Ongoing• TBS• Clerk of the Privy Council's Priorities	<ul style="list-style-type: none">➤ Implement an organization with a focus on excellence, people, sound management, enhanced stewardship and comptrollership, and accountability aligned to the Management Accountability Framework➤ Effectively implement shared corporate services between HRSDC and SDC

Summary of Performance Indicators

Social Development Canada is in the process of developing performance indicators for the program activity architecture (PAA). These indicators will serve as benchmarks that will allow SDC to set expectations, improve performance for Canadians and learn what works and what does not. By comparing results achieved against the expectations and targets established through our performance indicators, we will be better able to compare performance and resources over time. Indicators will allow SDC to improve planning, reallocate resources from lower to higher priorities, increase transparency and accountability at all levels in the department, assist in making decisions, and ensure that results are clearer to both Parliamentarians and Canadians.

As well, with our new indicators, currently under development, we will be able to measure the long-term and enduring benefit to Canadians that stem from the department's mandate, vision, programs and services. We intend for the indicators that we develop to be reliable, valid, comparable, timely, cost-effective and clear to Canadians. SDC will have performance indicators for all levels of our PAA structure, including indicators to address our latest initiatives, such as child care and caregiving.

SECTION II – Analysis of Program Activities by Strategic Outcome

Our existing indicators are set out below and provide a starting point for the new work to come. They offer information that measures SDC's performance by the speed and quality of the services we deliver.

INDICATOR	TARGET
Speed of Service	
Percentage of all CPP Disability initial application decisions made within 120 calendar days of receipt of completed application	75%
Percentage of all CPP Disability reconsideration decisions made within 120 calendar days of receipt	70%
Percentage of OAS benefits paid within the first month of entitlement	90%
Percentage of CPP retirement benefits paid within the first month of entitlement	85%
Percentage of callers answered by a service delivery agent within three minutes	95%
Service Quality	
Official language complaints regarding service to the public	Only actual results reported
Official language complaints regarding language of work	
Timely production of payment files in support of all payments to Canadians	95%
Availability of automated service channels to Canadians	94%
Representative Workforce Indicators	
<i>(The following targets are for the fiscal year 2004-2005 and were provided to SDC by Public Service Human Resources Management Agency of Canada (PSHRMAC) on December 31, 2004. These targets may be revised since the one for 2005-2006 will not be known prior to April 1, 2005).</i>	
Visible minority representation %	10.1%
Aboriginal representation %	2.4%
Persons with disabilities representation %	3.6%
Women representation %	57.8%

Management Representation Statement

I submit for tabling in Parliament, the 2005-2006 *Report on Plans and Priorities* (RPP) for Social Development Canada.

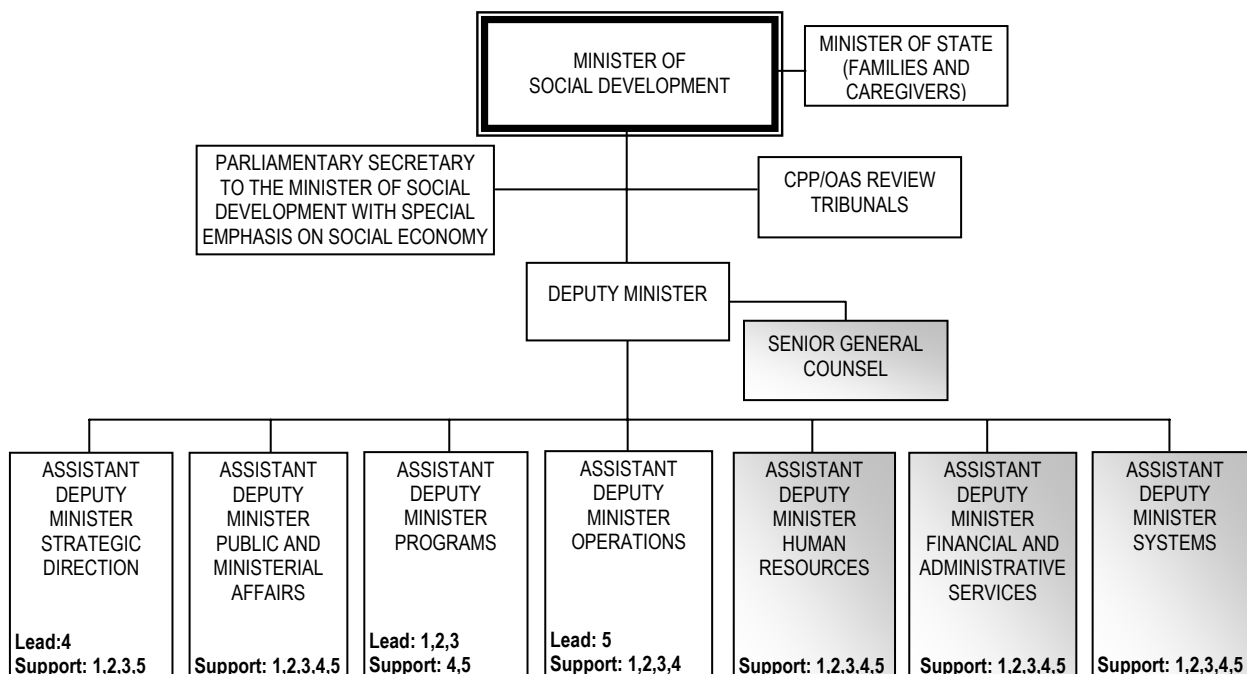
This document has been prepared based on the reporting principles contained in the *Guide to the preparation of Part III of the Estimates: Reports on Plans and Priorities*.

- ❖ It adheres to the reporting requirements outlined in the TBS guidance;
- ❖ It is based on the department's approved accountability structure as reflected in its MRRS;
- ❖ It presents consistent, comprehensive, balanced and accurate information;
- ❖ It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- ❖ It reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the RPP.

Nicole Jauvin
Deputy Minister, Social Development Canada

Organizational Information

The organizational model for SDC sets out a branch structure in which each branch is dedicated to achieving one or more program activities by leading the activity, supporting it or both, and by managing the resources and responsibilities allocated under them. This model encourages collaboration among branches and a strong focus on results for Canadians. The organizational model is currently in transition, which will be reflected in the next RPP (2006-2007).



Shaded zones indicate branches that also provide services to Human Resources and Skills Development Canada (HRSDC). Social Development Canada (SDC) is responsible for providing shared corporate services in the areas of human resources, financial and administrative services, and corporate systems, to both SDC and HRSDC. Effective 2005-2006, the resources for shared services have been apportioned between the two departments to better reflect the cost of delivering the programs and corporate services for each department.

Program Activity		(\$ millions) 05-06	(FTE) 05-06
P.A. 1	Income Support	50,912.1	4,139
P.A. 2	Inclusion and Participation	3,692.3	1,185
P.A. 3	Vibrant Communities	67.1	149
P.A. 4	Investments in Children and Families	4.4	23
P.A. 5	Service Innovation	60.8	811
Other Costs		147.4	-
		54,884.1	6,307

SECTION III – Supplementary Information

Table 1: Departmental Planned Spending and Full Time Equivalents

(\$ millions)	Forecast Spending 2004-2005	Planned Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008 ¹
Income Support (exclude OAS Benefits)	375.9	406.0	409.3	408.6
Income Support - OAS Benefits	27,940.0	28,893.0	30,011.0	
	28,315.9	29,299.0	30,420.3	408.6
Inclusion and Participation	312.5	360.4	362.9	362.6
Vibrant Communities	33.4	51.1	47.2	47.2
Investments in children and families	2.6	4.4	4.5	4.5
Service Innovation	608.3	61.5	62.4	62.2
Budgetary Main Estimates (gross)	29,272.7	29,776.4	30,897.3	-
Less: Respendable revenue	(718.7)	(276.7)	(271.7)	(271.6)
Total Main Estimates	28,554.0	29,499.7	30,625.6	-
Adjustments:				
Supplementary Estimates:				
Supps A	43.5	-	-	-
Supps B ²	(80.9)	-	-	-
Budget 2004 Announcement: ³				
Understanding the Early Years	-	8.0	12.0	15.0
Participation and Activity Limitations Surveys	-	2.9	6.5	1.5
Voluntary Sector Initiative	-	3.0	3.0	3.0
	-	13.9	21.5	19.5
Budget 2005 Announcement:				
Guaranteed Income Supplement	-	82.0	427.0	700.0
New Horizons for Seniors Programs	-	5.0	10.0	15.0
National Senior's Secretariat	-	2.0	2.0	3.0
Canadian National Institute for the Blind	-	6.0	-	-
Accountability (Early Learning and Child Care)	-	-	25.0	25.0
Procurement Savings (ERC exercise) ⁴	-	(0.3)	0.0	0.0
		94.7	464.0	743.0
Other:				
TB Vote 15	0.9	-	-	-
Employee Benefit Plan (EBP)	12.6	-	-	-
	13.5	0.0	0.0	0.0
Total Adjustments	(23.9)	108.6	485.5	762.5
Total Planned Spending	28,530.1	29,608.3	31,111.1	
Specified Purpose Accounts				
Canada Pension Plan	24,198.1	25,247.4	26,382.4	
Departmental Recoveries charged to EI	558.3	53.1	49.3	
Departmental Employee Benefit Plan recoverable from CPP	(25.8)	(24.7)	(24.2)	
Total SDC	53,260.7	54,884.1	57,518.6	
Plus: Cost of services received without charge	17.4	13.2	13.2	
Net Cost of Program	53,278.1	54,897.3	57,531.8	
Full Time Equivalents	11,103	6,307	6,145	6,100

SECTION III – Supplementary Information

¹ Forecasted expenditures for the Canada Pension Plan (CPP) and Old Age Security (OAS) are available only for the planning years 2005-06 and 2006-07.

² Includes a decrease of \$138.0 million due to revised forecast of Income Security Payments.

³ Funding in 2004-2005 is included as part of Supplementary Estimates B.

⁴ Total savings of \$0.7 million less spendable revenues of \$0.4 million.

Financial Highlights:

The net cost of the department is expected to be \$54.9 billion in 2005-2006. This represents an increase of \$1.6 billion over the 2004-2005 net cost of \$53.3 billion. The variance is mainly due to the following:

- An increase of \$1,173 million in Old Age Security payments due to an expected increase in the forecasted monthly rates and in the estimated number of beneficiaries.
- An increase of \$1,049 million in the Canada Pension Plan expenditures mainly due to expected benefit increases in the forecasted monthly rates and in the estimated number of beneficiaries.
- A decrease of \$627 million in the operating cost (including recoveries to the Employment Insurance Account). This is mainly resulting from the allocation to HRSDC of the shared corporate services provided by SDC. Effective 2005-2006, the resources for shared services have been apportioned between these two departments to better reflect the cost of delivering the programs and corporate services for each departments. The HRSDC portion of the shared services is estimated at 4,100 full time equivalents (FTEs) which explained the reduction between 2004-2005 and 2005-2006 FTEs forecast.

For 2006-2007, the net cost of the department is anticipated to be \$57.5 billion which corresponds to an increase of \$2.6 billion from the 2005-2006 planned spending. The major changes are as follows:

- An increase of \$1,463 million in Old Age Security payments due to an expected increase in the forecasted monthly rates and in the estimated number of beneficiaries.
- An increase of \$1,135 million in Canada Pension Plan expenditures mainly due to expected benefit increases related to the forecasted monthly rates and the estimated number of beneficiaries.

Table 2: Program by Activity ¹

2005-2006							
Budgetary							
(\$ millions)					(Net)	Adjustments	
Program Activity	Operating	Grants and Contributions	Gross	Revenue	Total Main Estimates	(planned spending not in Main Estimates)²	Total Planned Spending
Income Support	406.0	28,893.0	29,299.0	(160.6)	29,138.4	84.0	29,222.4
Inclusion and Participation	111.7	248.7	360.4	(62.5)	297.9	8.9	306.8
Vibrant Communities	19.0	32.1	51.1	0.0	51.1	16.0	67.1
Investments in children and families	4.4	0.0	4.4	0.0	4.4	-	4.4
Service Innovation	61.5	0.0	61.5	(53.6)	7.9	(0.3)	7.6
Total	602.6	29,173.8	29,776.4	(276.7)	29,499.7	108.6	29,608.3

¹ Excludes the Specified Purpose Accounts.

² For additional details, refer to Table 1.

Table 3: Voted and Statutory Items listed in Main Estimates

2005-2006

(\$ millions)

Voted or Statutory Item	Voted or Statutory Wording	Current Main Estimates	Previous Main Estimates
1	Operating expenditures	244.0	265.6
5	Grants and contributions	280.8	241.4
(S)	Minister of Human Resources Development - Salary and motor car allowance	0.1	0.1
(S)	Old Age Security Payments	22,209.0	21,553.0
(S)	Guaranteed Income Supplement payments	6,233.0	5,949.0
(S)	Allowance Payments	451.0	438.0
(S)	Payments to private collection agencies pursuant to Section 17.1 of the <i>Financial Administration Act</i>	19.4	0.0
(S)	Contribution to employee benefit plans	62.4	106.9
Total Department		29,499.7	28,554.0

Financial Highlights:

The Main Estimates for the department is **\$29,499.7 million** in 2005-06, representing a net increase of **\$945.7 million** over the 2004-2005 Main Estimates amount of **\$28,554.0 million**. The variance is mainly due to the following:

- A **decrease of \$21.6 million** in Operating expenditures mainly resulting from the allocation to Human Resources and Skills Development Canada (HRSDC) of the shared corporate services provided by Social Development Canada (SDC). Effective 2005-2006, the resources for shared services have been apportioned between these two departments to better reflect the cost of delivering the programs and corporate services for each departments.
- An **increase of \$39.4 million** in Voted Grants and Contributions mainly due to items that were approved as part of the 2004-2005 Supplementary Estimates (Multilateral Framework for Labour Market Agreements for Persons with Disabilities-\$30 million and New Horizons for Seniors Programs-\$7.8 million).
- An **increase of \$953.0 million** to the Income Security Programs (Old Age Security, Guaranteed Income Supplement and Allowances) from \$27,940.0 million to \$28,893.0 million due to changes in the average rate of payments and in the population based on revised demographic data.
- An **increase of \$19.4 million** for Payments to private collection agencies. This item was transferred to SDC which has responsibility for the management of collection activities.
- A **decrease of \$44.5 million** in the contributions to employee benefit plans related to a decrease in salary costs.

SECTION III – Supplementary Information

Table 4: Net Cost of Department for the Estimates Year

2005-2006	
(\$ millions)	Total
Total Planned Spending	29,608.3
Plus: Specified Purpose Accounts ¹	25,275.8
Total SDC	54,884.1
Plus: Services Received without Charge	
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS	12.0
Worker's Compensation coverage provided by Human Resources and Skills Development	0.3
Salary and associated expenditures of legal services provided by Justice Canada	0.9
	13.2
2005-2006 Net cost of Department	54,897.3

¹ Include Canada Pension Plan, Departmental Recoveries charged to EI, Departmental Employee Benefits Plan recoverable from CPP.

SECTION III – Supplementary Information

Table 5: Sources of Respendable and Non-Respendable Revenue

Respendable Revenue

(\$ millions)	Forecast Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007	Planned Revenue 2007-2008
Income Support				
CPP Recovery	179.4	160.6	158.8	158.8
Inclusion and Participation				
CPP Recovery	46.4	62.5	63.2	63.2
Service Innovation				
EI Recovery	558.3	53.1	49.3	49.2
CPP Recovery	5.5	0.1	0.4	0.4
	563.8	53.2	49.7	49.6
Total Respendable Revenue	789.6	276.3	271.7	271.6

Non-Respendable Revenue

(\$ millions)	Forecast Revenue 2004-2005	Planned Revenue 2005-2006	Planned Revenue 2006-2007	Planned Revenue 2007-2008
Income Support				
EBP Recovery from CPP	18.7	16.3	15.8	15.8
User fee: Searches of the CPP and OAS data banks to locate individuals	0.1	0.1	0.1	0.1
	18.8	16.4	15.9	15.9
Inclusion and Participation				
EBP Recovery from CPP	6.6	8.3	8.3	8.3
Service Innovation				
EBP Recovery from EI account	53.3	8.0	7.1	7.1
EBP Recovery from CPP	0.6	0.1	0.1	0.1
User fee: Social Insurance Number Replacement Card Fee	1.9	1.9	1.9	1.9
	55.8	10.0	9.1	9.1
Total Non-Respendable Revenue	81.2	34.7	33.3	33.3
Total Respendable and Non-respendable Revenue	870.8	311.0	305.0	304.9

Table 6: Major Regulatory Initiatives**Regulations**

Canada Pension Plan Regulations-Automatic reinstatement of CPP Disability benefits:
Amendments to CPP Regulations are required to enable the Department to proceed with the new CPP legislative initiative contained in Bill C-30, the *Budget Implementation Act, 2004*. The Bill received Royal Assent on May 14, 2004. Relevant amendments to the CPP are expected to come into force early in 2005.

This initiative allows persons whose disability benefit was ceased because they returned to work to have their benefit (as well as those of their eligible children) reinstated if they are unable to continue working due to a recurrence of the same or a related disability within a maximum period of two years. The proposed regulations will set out the time limitation and the information and evidence to be furnished to the Minister when requesting reinstatement of CPP disability benefits.

Planned Results

The purpose of this initiative is to encourage more disability clients to attempt to return to work, without putting their benefits at risk. The regulatory amendments seek to limit the documentation required for individuals who were not successful in their attempt to return to work when requesting the reinstatement of the disability benefit.

Table 7: Details on Transfer Payments Programs

Listing of Grants and Contributions in excess of \$5 millions for 2005-06: (\$ millions)

Grants

Income Security Programs

(S) Old Age Security payments	22,209.0
(S) Guaranteed Income Supplement payments	6,315.0
(S) Allowance Payments	451.0

Vibrant Communities

Grants to non-profit organizations for activities eligible for support through the Social Development Partnerships Program	
<i>Social Development Partnerships Program</i>	14.3
Payments to community organizations and other eligible recipients for delivery of the New Horizons for Seniors Program	
<i>New Horizons for Seniors Program</i>	11.7

Contributions

Inclusion and Participation

Payments to provinces, territories, municipalities, other public bodies, organizations, groups, communities, employers and individuals for the provision of training and/or work or business experience, the mobilization of community resources, and human resource planning and adjustment measures necessary for the social development of Canadians and other participants in Canadian life	
<i>Opportunities Fund for Persons with Disabilities</i>	26.7

Vibrant Communities

Payments to provinces, territories, municipalities, other public bodies, organizations, groups, communities, employers and individuals for the provision of training and/or work or business experience, the mobilization of community resources, and human resource planning and adjustment measures necessary for the social development of Canadians and other participants in Canadian life	
<i>Social Development Partnerships Program</i>	16.4

Other Transfer Payments

Inclusion and Participation

Payments to provinces and territories under the Multilateral Framework for Labour Market Agreements for Persons with Disabilities	
<i>Multilateral Framework for Labour Market Agreements for Persons with Disabilities</i>	222.0

Other New Initiatives

Inclusion and Participation

<i>Canadian National Institute for the Blind</i>	6.0
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Total Transfer Payments

29,272.1

For further information on the above-mentioned transfer payment programs see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>.

Table 8: Horizontal Initiatives

Over the next three years, Social Development Canada will be involved in the following horizontal initiatives as either the lead or as a partner:

2005-06

1. National Child Benefit (Lead)
2. Federal-Provincial-Territorial Early Childhood Development Agreement (Lead)
3. Federal-Provincial-Territorial Multilateral Framework on Early Learning and Child Care (Lead)
4. Voluntary Sector Initiative (Lead)
5. Labour Market Agreements for Persons with Disabilities (Lead)
6. Social Economy (Lead)
7. Service Canada (Partner)

Further information on the above-mentioned horizontal initiatives see <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

Table 9: Specified Purpose Accounts – Canada Pension Plan**Introduction to Specified Purpose Accounts**

Specified Purpose Accounts (SPA) are special categories of revenues and expenditures. They report transactions of certain accounts where enabling legislation requires that revenues be earmarked and that related payments and expenditures be charged against such revenues. The transactions of these accounts are to be accounted for separately. Social Development Canada is responsible for the stewardship of one such account, the Canada Pension Plan (CPP).

The CPP is a SPA but **is not consolidated** as part of the Government of Canada financial statements. It is under joint control of the federal government and the participating provinces. As administrator, the federal government's authority to spend is limited to the balance in the plan.

Canada Pension Plan**Description**

The Canada Pension Plan (CPP) is a joint federal-provincial plan that operates throughout Canada, except in Quebec, which has its own comparable plan. The CPP provides for a variety of benefits based on life changes. Best known for its retirement pensions, the CPP also provides benefits for surviving partners and children of CPP contributors, persons with disabilities and their children, and a one-time maximum benefit of \$2,500 in the event of death.

As a contributory plan, contributors are employees or self-employed persons between the ages of 18 and 70, who earn at least \$3,500 during a calendar year. Benefits are calculated based on how much and for how long a contributor has paid into the CPP. Benefits are not paid automatically—everyone must apply and provide proof of eligibility.

Approximately 12 million Canadians over the age of 18 currently contribute annually to the Canada Pension Plan and approximately 4 million Canadians will receive benefits during 2005-2006.

Benefit Payments

Retirement Pensions: Contributors may begin receiving CPP retirement pensions as early as age 60 or they may delay receipt until age 70. Applicants who are between 60 and 65 must have stopped working or earn below a specified level when they begin to receive the retirement pension. Once that person starts receiving the CPP pension, he or she can earn any amount without affecting the CPP pension. However, contributions are not made to the CPP on any future earnings. Contributors over age 65 need not have stopped working to qualify.

The amount of each contributor's pension depends on how much and for how long she or he has contributed and at what age that person begins to draw the benefits. Pensions are adjusted by 0.5% for each month before or after age 65 from the time a person begins to receive a pension. Contributors who begin receiving a retirement pension at age 60 will receive 70% of the amount that would otherwise be payable at age 65, while those who delay receiving a pension until age 70 will receive 130% of the amount payable at age 65.

Spouses and common-law partners who are at least 60 years of age can share their retirement benefits earned during the period of cohabitation as long as they remain together. This may result in tax savings. If only one spouse is a CPP contributor, the pension can be shared between the two spouses. The overall benefits paid do not increase or decrease with pension sharing.

Disability Benefits: Disability benefits are payable to contributors who meet the minimum contributory requirements and whose disability is "severe and prolonged," as defined in the legislation. Such a disability would prevent them from working regularly at any job in a substantially gainful manner for a prolonged period. To ensure that benefits are only paid to eligible beneficiaries, periodic reassessments are carried out. Support is also provided to clients who try to return to regular gainful employment. Children of CPP disability beneficiaries are also eligible for a flat rate monthly benefit up

SECTION III – Supplementary Information

to the age of 18, or up to age 25 if attending school full-time. As of April 2004, there were just over 290,000 beneficiaries and 92,057 children receiving monthly benefits.

Survivor's Benefits: A contributor's surviving spouse or common-law partner may be eligible for a monthly benefit if the contributor has contributed for a minimum period and, if at the time of the contributor's death, the spouse or common-law partner was at least 35 years old or was under age 35 and either had dependent children or was disabled. Payments continue in the event that the surviving spouse or common-law partner remarries. Monthly benefits are also payable on behalf of the children of CPP contributors who die. The amount is a flat rate and is payable until the child reaches age 18, or up to age 25 if he or she attends school full time. A lump-sum benefit is also available to the estate of the deceased contributor provided the minimum contributory requirements have been met.

Determining the Benefit Rate

CPP benefits are largely related to earnings. Benefits are adjusted in January of each year to reflect increases in the average cost of living, as measured by the Consumer Price Index. Benefits such as children's benefits are not based on earnings; they are a fixed amount. Disability and survivor benefits contain a fixed-rate or flat rate portion in addition to an earnings-related portion.

CPP Benefit Payments by Category and Type

	Actual		Forecast	Planned Spending
(millions of dollars)	2002-2003	2003-2004	2004-2005	2005-2006
Retirement pensions	15,042	15,851	16,843	17,624
Disability benefits				
Disability pensions	2,774	2,844	2,928	3,055
Benefits to children of disabled contributors	250	257	258	268
Disability benefits total	3,024	3,101	3,186	3,323
Survivor benefits				
Surviving spouse or common law partner's benefits	3,065	3,187	3,336	3,440
Orphans' benefits	210	213	220	227
Death benefits	234	254	221	238
Survivor benefits total	3,509	3,654	3,777	3,905
TOTAL	21,575	22,606	23,806	24,852

Administrative Costs

Social Development Canada, Human Resources and Skills Development Canada, Finance Canada, the Canada Revenue Agency, Public Works and Government Services Canada the Royal Canadian Mounted Police and the Office of the Superintendent of Financial Institutions supply services that support the management and delivery of the CPP and its funds.

Costs incurred by these departments and agencies in administering the CPP are recoverable from the Account based on the costing principles approved by Treasury Board. Essentially, those principles are that costs must be incurred because of CPP responsibilities and must be traceable. Administrative expenses for 2005-2006 are estimated at \$395.3 million, representing an increase of 0.9% from the forecast for 2004-2005.

Benefits delivery staff and processes are extremely efficient in getting benefits into the hands of CPP contributors. In 2005-2006, the total cost for administering and delivering CPP benefits is approximately 1.6% of the total forecasted benefit payments.

CPP Administrative Expenses by Department

	Actual		Forecast	Planned Spending
(millions of dollars)	2002-2003	2003-2004	2004-2005	2005-2006
Human Resources Development Canada				
Plan administration, operations, records, and accommodation	295.1	266.4		
Social Development Canada				
Plan administration, operations, records, and accommodation			231.3	223.2
Human Resources and Skills Development Canada				
In-person services for applicants and beneficiaries			6.8	14.0
EI Account - Refunding of EI Account in relation to assignment of Social Insurance Numbers and maintenance of the central index	0.4	1.7	2.7	2.7
Treasury Board Secretariat				
Insurance premiums and recoverable contributions to the Employee Benefit Plan	32.4	40.8	37.4	37.4
Public Works and Government Services				
Cheque issue, EDP services	12.8	14.7	15.1	15.0
Royal Canadian Mounted Police				
Investigation of contraventions			0.2	0.3
Canada Revenue Agency				
Collection of contributions	80.2	85.3	96.5	100.9
Office of the Superintendent of Financial Institutions				
Actuarial services	0.7	1.0	1.3	1.4
Finance				
Investment services	0.5	0.4	0.4	0.4
TOTAL	422.1	410.3	391.7	395.3

Revenues

The CPP is financed through mandatory contributions from employees, employers and self-employed persons, as well as from investment income. Contributions are paid on the portion of a person's earnings that falls between a specified minimum (the Year's Basic Exemption) and maximum (the Year's Maximum Pensionable Earnings) amounts. The minimum remains constant at \$3,500, while the maximum amount is linked to the average Canadian industrial wage and is adjusted annually. No contributions can be made when a contributor receives a CPP retirement pension or disability pension or when that person reaches the age of 70. Disbursements include the payment of CPP benefits and administrative expenditures associated with managing the program.

SECTION III – Supplementary Information

When it was introduced in 1966, the CPP was designed as a pay-as-you-go plan, with a small reserve. This meant that the benefits for one generation would be paid largely from the contributions of later generations. However, demographic and economic developments and changes to benefits in the 30 years that followed resulted in significantly higher costs. It became clear that to continue to finance the program on a pay-as-you-go basis would have meant imposing a high financial burden on Canadians in the work force during those years. Plan administrators chose instead to change the funding approach of the Plan to a hybrid of pay-as-you-go and full funding, where each generation pays for its own benefits.

In 1998, the federal and provincial governments introduced “steady-state” financing. Under steady-state financing, the contribution rate was increased incrementally, from 5.6% in 1996, to 9.9% in 2003 and will now remain at that rate. The Office of the Superintendent of Financial Institutions’ 21st Actuarial Report on the viability of the Canada Pension Plan states that the steady-state contribution rate is 9.8% of contributory earnings. This rate represents the lowest rate sufficient to sustain the Plan without further increase and is 0.1% lower than the legislated 9.9% contribution rate. With the 9.9% legislated contribution rate, the assets are expected to increase significantly over the next 17 years, with the ratio of assets to the following year’s expenditures growing 3.1 in 2004 to 5.6 by 2021¹³.

This approach will generate a level of contributions between 2001 and 2020 that exceeds the benefits paid out every year during that period. Funds not immediately required to pay benefits are transferred to the CPP Investment Board for investment in financial markets. Over time, this will create a large enough reserve to help pay the growing costs that are expected as more and more baby-boomers retire.

Adoption of this diversified funding approach has made the Canadian retirement income system less vulnerable to changes in economic and demographic conditions and has made it a leading-edge example of public pension plan management in the world.

Investment Income: Income is earned on the investments in equities, real estate and money market securities as well as interest earned by bonds.

Financial Accountability

The CPP and its resources are divided among three components:

- ❖ The **CPP Account** was established to record the contributions, interest, pensions and benefits and administrative expenditures of the CPP. In September 2004, the Operating Reserve¹⁴ in the CPP Account began to be transferred to the CPP Investment Board. The transfer will take place over a 12-month period and is expected to be completed by August 2005. As well, since September 2004, the CPP has begun to send to the CPP Investment Board, on a weekly basis and according to weekly forecasts generated by the CPP Accounting personnel, any excess funds not needed to pay for CPP benefits and expenses.
- ❖ The **CPP Investment Fund** was established to record investments in the securities of the provinces, territories and Canada. Following the adoption of Bill C-3 in April 2004, the CPP Investment Fund will gradually be transferred to the CPP Investment Board over a period of 3 years. The transfer of the CPP Investment Fund started May 1, 2004.
- ❖ The **Canada Pension Plan Investment Board** is an arm’s length Crown corporation established by an act of Parliament in December 1997. It began operations in March 1999 to help the CPP achieve steady-state funding by investing funds not required by the CPP to pay current pensions. Investment returns would be earned on funds transferred from the CPP Account.¹⁵ The board is accountable to the public and governments through regular reports. It is broadly subject to the same investment rules as other pension funds in Canada.

¹³ Office of the Chief Actuary, Actuarial Report (21) on the Canada Pension Plan as at December 31, 2003. Ottawa: Office of the Superintendent of Financial Institutions Canada. 2004, p. 10

¹⁴ The reserve is made up of an amount equivalent of three months worth of CPP benefits and expenses.

¹⁵ Information about the Canada Pension Plan Investment Board can be found at <http://www.cppib.ca>.

Financial Summary

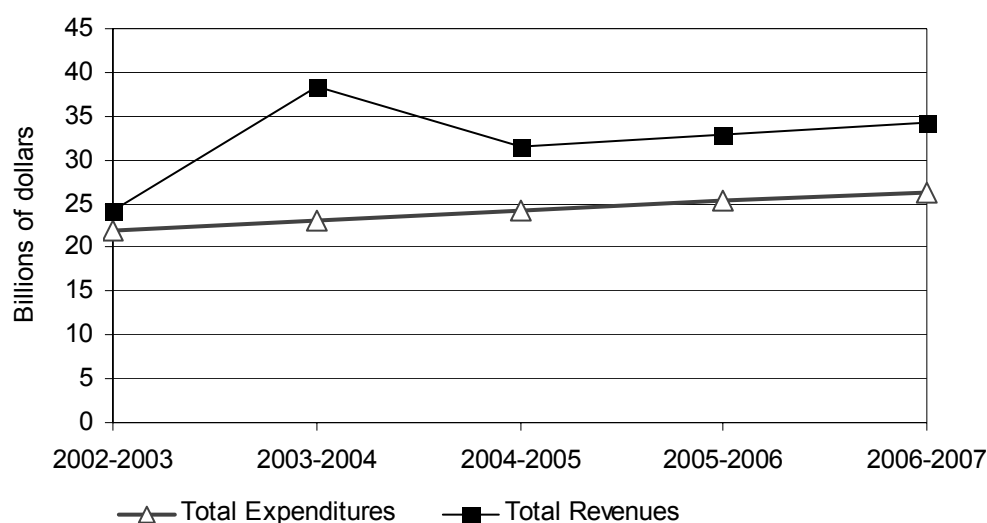
Benefit payments are expected to reach \$24.9 billion in 2005-2006, an increase of \$1 billion or 4.4% over 2004-2005. This increase reflects forecasts of client population and average benefit payments. In 2005-2006, it is expected that there will be a net increase in client population of 2.7% and a net increase in average benefit payments of 1.5%.

The table below summarizes the financial results for the CPP from 2002-2003 to 2006-2007. In 2002-2003, the Government of Canada changed its basis of accounting from the modified accrual accounting to the full accrual basis of accounting. This change in accounting policy has been applied retroactively and the financial statements have been restated accordingly.

As well, following the adoption of Bill C-3 during 2003-2004, the evaluation of the provincial, territorial and federal bonds was changed from cost to fair value. The change in accounting policy has been applied retroactively and the financial statements have been restated to reflect this.

The CPP is expected to have an increase of almost \$8 billion, bringing the cumulative balance to more than \$87 billion by March 31, 2006. At present, the CPP has a fund equal to over three years of benefits and this is expected to grow to about four or five years of benefits over the next two decades.

The following figures summarize trends in total revenues and expenditures of the Account and its status from 2002-2003 to 2006-2007.



	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Total Expenditures	22.0	23.0	24.2	25.2	26.4
Total Revenues	24.2	38.3	31.6	32.9	34.3

SECTION III – Supplementary Information

CPP - Summary

	Actual - Restated		Forecast	Planned Spending
(millions of dollars)	2002-2003 ³	2003-2004	2004-2005	2005-2006
Revenue				
Contributions	25,203	28,029	29,328	30,856
Investment Income				
Canada Pension Plan	2,910	2,682	2,303	2,089
CPP Investment Board ¹	(4,152)	7,209	-	-
CPP Investment Fund ²	193	357	-	-
Total Investment Income	(1,049)	10,248	2,303	2,089
Total Revenue	24,154	38,277	31,631	32,945
Expenditures				
Benefit payments	21,575	22,606	23,806	24,852
Administrative expenses	422	410	392	395
Total Expenditures	21,997	23,016	24,198	25,247
Increase	2,157	15,261	7,433	7,698
Year-end balances	57,251	72,512	79,945	87,643

¹ Canada Pension Plan Investment Board actual amounts are based on their audited financial statements. The CPP Investment Board invests mainly in equities. The investment income is determined mainly by the change in fair values of these investments. It is difficult to forecast a future fair value therefore the investment income for the year 2004-2005 and 2005-2006 are not yet available.

² The Canada Pension Plan Investment Fund is made up of provincial, territorial and government bonds. As of March 31, 2004, these are valued at fair value. The revenue of the fund is made up of the interest from the bonds as well as the change in fair values of these investments. The interest income from the Investment Fund is presented under "Canada Pension Plan" of this section. It is difficult to forecast a future fair value therefore the investment income for the year 2004-2005 and 2005-2006 are not yet available.

³ 2002-2003 figures have been restated to reflect the changes brought upon by the evaluation of the provincial, territorial and federal bonds from cost to fair value in 2003-2004.

Long-term Forecast

The CPP legislation requires a schedule of contribution rates with a review every three years by the federal and provincial finance ministers. The review determines whether any adjustments to the schedule are necessary. If so, the adjustments are implemented through legislation or agreement among finance ministers, or automatically under a formula that ensures that the contribution rate will be sufficient to sustain the Plan in the face of an aging population. Amendments to the rate schedule or the automatic regulation require the approval of at least two thirds of the provinces with at least two thirds of the population of all the provinces.

The following table shows the forecast of revenues and expenditures affecting the CPP for the period between December 31, 2005 and December 31, 2030, based on the Office of the Superintendent of Financial Institutions' Actuarial Report (21st) on the Canada Pension Plan as at December 31, 2003. The Assets/Expenditures Ratio reflects the size of the year-end assets relative to the expenditures.

Forecast of Revenues and Expenditures

Year	Contribution Rate	Contributions	Investment Earnings	Expenditures	Assets at Dec. 31	Assets/ Expenditure ratio
	%		\$ millions			
2010	9.90	36,128	8,982	31,868	146,795	4.37
2015	9.90	45,579	14,635	42,022	226,815	5.09
2020	9.90	57,537	21,497	56,253	332,116	5.57
2025	9.90	71,145	29,177	74,887	454,613	5.75
2030	9.90	88,011	37,958	97,015	591,404	5.81

Source: Office of the Chief Actuary. Actuarial Report (21st) on the Canada Pension Plan as at December 31, 2003. Office of the Superintendent of Financial Institutions Canada

Effective Corporate Services

Social Development Canada's corporate services support the achievement of all of SDC's strategic outcomes and serve to meet the expectations of Canadians and Parliament. Some services, including policy, communications, ministerial services, governance and management activities, have priorities that are integrated into our department's policy, program and service directions.

Social Development Canada is also responsible for providing shared corporate services to both SDC and HRSDC in the areas of human resources, financial and administrative services, and systems. During 2005-2006 and beyond, these shared corporate services will be the focus of priorities that reflect the commitment to providing high quality services to both departments and the need to support both departments in the achievement of their strategic outcomes.

The decision that SDC would provide shared corporate services to HRSDC provides an opportunity to ensure consistent service to people in both departments and to take advantage of efficiencies. SDC expects to demonstrate those results in all shared corporate service areas. For example, human resources branches will provide high quality services to SDC and HRSDC staff across the country.

As another example, SDC computer systems services will continue to enable SDC and HRSDC to process transactions, including benefit program payments to Canadians and responding to requests for services or information. The shared services concept will be central to improved planning and better-targeted investments in information technology.

As well, SDC is providing consolidated financial and administrative services to SDC and HRSDC, which SDC will manage to ensure consistency of services and products and to achieve efficiencies, including in our regional operations. This will also allow for easier implementation of innovations and more efficient processes to generate savings.

Another shared service is our responsibility for the collection of money owed to the Crown. This includes our financial collections activity for the \$2.7 billion in debt that we manage from SDC and HRSDC programs.

SDC's shared corporate services also address current priorities, such as departmental leadership in the government-wide expenditure review process and its integration into overall planning and resource management. They are the focal point for departmental leadership on larger government themes, such as sustainable development, as well as attention to official language and employment equity commitments.

In addition to our ongoing activities, we have identified two key deliverables for 2005-2006.

Key Deliverable 1:

Implement an organization with a focus on excellence, people, sound management, enhanced stewardship and comptrollership, and accountability aligned to the Management Accountability Framework.

The Management Accountability Framework (MAF) is a set of 10 statements that summarizes the Treasury Board Secretariat's expectations for modern management across the public service. All the elements defined in the framework must work together to achieve high organizational performance. SDC supports managers at all levels within our department and at certain levels for the human resource services and for financial and administrative services that we provide to HRSDC. This support meets our delegated responsibilities under public service management legislation and our responsibilities as described in the MAF.

For example, our goal is to ensure a fair, enabling, healthy and safe workplace. We expect to achieve this goal through ongoing implementation and communication of key human resource policies, including our implementation of the new *Public Service Modernization Act*, which introduces various staffing and labour relations reforms, as well as informal conflict resolution. The Act also delegates important authorities to managers. As part of this, we will continue to offer values-and-ethics activities that help managers and staff make informed and thoughtful choices in what are often complex situations. Those activities are part of ensuring a workforce that is productive and principled.

Our human resource strategies will enable managers to help staff adapt to new roles or transitions brought about by changes in our programs, organization and service delivery to Canadians. Throughout any evolution, we will continue to promote the use of both official languages in the workplace and we will work to meet our targets for the percentage of members of visible minorities in our workforce. We will reinforce this and other work through effective communications with SDC employees.

We will integrate a wide range of elements into the departmental decision-making process. Those elements include strategic planning; corporate and business planning; resource allocation; human resources, financial and systems planning; performance measurement; audit and risk management; evaluation; and government-wide initiatives. Integration of these elements will enable managers to make the best choices in using resources, which will support overall efforts to enhance the management of spending across the government.

We will clarify further the lines of responsibility within SDC. This will be an essential element in our efforts to establish the strongest possible accountabilities for resource allocation and for the reporting of results in our department. We will also work with managers to ensure the effective implementation of new tools such as the program activity architecture. This will be supported by stronger enterprise-wide resource management, stewardship and accountability through improved forecasting and data integrity, strategic advice, support and enhanced financial management capacity.

During 2005-2006, we intend to build our departmental capacity to effectively work with, and respond to, Parliament. A key element of this will be timely and in-depth briefings on the department, our priorities and upcoming business, as well as communications with the constituency offices of Members of Parliament and Senators.

Key Deliverable 2:**Effectively implement shared corporate services between HRSDC and SDC.**

As noted above, when Social Development Canada was created, it was decided that our department would be responsible for providing many corporate services to SDC and to HRSDC. There are challenges in this responsibility, simply because of the need to meet the evolving requirements of two different departments. At that same time, we realize that this is an area where effective management can provide needed services well and in ways that demonstrate a high level of cost-effectiveness for Canadians. SDC is determined to meet the challenges that we face in providing corporate services to two major departments based on a shared-services model.

In 2005-2006 and beyond, we believe we can earn a reputation as a public service leader in providing shared corporate services, in part through our organization's design and delivery of these services. We will accomplish this by taking a number of steps to ensure a more consistent, efficient and effective client service at a lower cost to taxpayers. We are consolidating Human Resources and Financial and Administrative Services to better serve HRSDC and SDC from available resources. We see this as an innovative opportunity to explore and generate economies of scale and scope in the provision of corporate services to SDC and HRSDC.

SDC will continue to explore and implement mechanisms to increase efficiency and improve the effectiveness of specific services. We will ensure that SDC participates in the upcoming government-wide online marketplace for high-volume, commonly purchased goods and services. In addition, we will take steps to reflect the importance that the government attaches to issues such as meeting privacy expectations and strengthening the protection of personal information.

SECTION IV – Other Items of Interest

Shared Corporate Services

Resources for these functions are reflected in SDC and HRSDC Main Estimates starting with the 2005-2006 planning year. Resources have been apportioned between the two departments to better reflect the cost of delivering the programs and corporate services for each department.

	2005-2006	2006-2007	2007-2008
Financial Resources (\$ millions)			
SDC	182.1	182.1	182.1
HRSDC	536.4	536.4	536.4
Total	718.5	718.5	718.5
Human Resources (FTEs)			
SDC	1,395	1,395	1,395
HRSDC	4,109	4,109	4,109
Total	5,504	5,504	5,504

Sustainable Development

The current Sustainable Development Strategy (2004-2006) was tabled in February 2004 by the Ministers of Social Development Canada (SDC) and Human Resource and Skills Development Canada (HRSDC) under the former Human Resource Development Canada (HRDC) banner. At the time of departmental reorganization, the commitments contained in the Strategy were divided between the departments with each assuming responsibility for those commitments appropriate to its mandate. The Strategy builds on commitments and progress made within the first two strategies of the former HRDC. SDC will table an individual Strategy for the next round of sustainable development strategies in 2006.

The Strategy focuses on the following four key goals: strengthen HRDC's capacity to move forward on a path to sustainable development; sustaining our internal operations; develop the social and labour market dimensions of sustainable development in HRDC; and build sustainable development into HRDC's corporate culture. Within each of these goals there are a number of objectives and targets that SDC is committed to implementing.

This year, in order to contribute to the achievement of the goals of the Strategy, SDC will undertake activity with the following objectives: ensure a horizontal commitment to sustainable development; promote environmentally responsible transportation principles within HRDC; increase Aboriginal procurement by HRDC in support of sustainable communities; reduce the environmental impact of our procurement; support a sustainable society by increasing awareness of the importance of ensuring effective supports and services for children and families; and increase awareness of sustainable development.

Information on the current Sustainable Development Strategy including specific goals, objectives and targets can be accessed at the following website:
http://www.sdc.gc.ca/en/cs/fas/as/sds/toc_sds3.shtml