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Mr. Greg Kerr

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• (0850)

[English]

The Chair (Mr. Greg Kerr (West Nova, CPC)): Good morning, everyone. We do have a quorum.

Following the motion last week, we have invited two witnesses from the department to discuss the issues raised.

I want to welcome Mr. Gilbert, and Mr. Hillier, who are no strangers to this committee process. We are pleased to have you here. We'll be discussing the issues with you until about 10:25. You know the process, the questions, and so on, involved. Then we'll go to committee business after that and will excuse you at that time.

Welcome. I turn it over to you for your introductory comments. We would like to keep them to around 10 to 15 minutes this morning, if you could, please. Thank you.

Mr. Keith Hillier (Assistant Deputy Minister, Service Delivery, Department of Veterans Affairs): Thank you, Mr. Chair.

Good morning. My name is Keith Hillier. I am the assistant deputy minister of service delivery at Veterans Affairs Canada. I am here with my colleague James Gilbert, the assistant deputy minister for policy, communications and commemoration. We welcome this opportunity to be with you today.

We want to provide you with the necessary facts and figures and other details that we hope will reassure you that there has been no reduction in benefits, programs, or services for Canada's veterans. In fact, it is quite the opposite. Our objective at the department has always been to improve the quality of life for veterans, and to do so by ensuring that they receive the benefits and services they so rightly deserve.

Veterans Affairs Canada is not only delivering on this commitment, it is improving its policies, its programs, and business practices so that veterans receive even faster and better service than ever before.

Now, we're the first to admit that the process is sometimes a bit of a challenge, both for veterans and us. But I sincerely believe we are making significant progress, and we are determined to maintain this momentum. We also know that there have been some recent concerns raised about staff numbers at Veterans Affairs and we hope to address this important issue as well during our time with you this morning.

As members of this committee, you know as well as anyone that the department is at an historic crossroads. The needs and the demographics of those we serve are changing—and dramatically so.

We regret that after decades of brave service to our country, we are seeing an average of 1,500 veterans pass away each month from our Second World War and Korean War population, which was estimated as of March of this year to be approximately 136,000.

The sad reality is reflected in the changing demographics of the men and women we serve at Veterans Affairs. I'll just give you a quick snapshot. As of March 2011, Veterans Affairs Canada provided benefits to approximately 218,000 clients. The client base is composed of 140,000 veterans—those who have served in war, the Canadian Forces, or RCMP—and the remainder of approximately 78,000 would be survivors.

Last year marked the first time that Canadian Forces veterans clients out-numbered war service veterans at VAC. This demographic shift will only grow more pronounced, because the average age of our war service clients right now is 88 years old, compared to 58 for our Canadian Forces veterans. As a result, VAC's client base of war service veterans is expected to decrease by approximately 42% over the next five years, whereas the number of Canadian Forces veterans who will become clients of the department is expected to increase by approximately 24% over the same planning period.

This shift in veteran population is a key factor in the department's forecast expenditures.

[Translation]

We are witnessing a reduction in the number of clients who served in wartime. As a result, the amount that we spend on our traditional programs, such as disability pensions, should also decrease by about 7% in the next five years. This reduction in overall expenses is not occurring at the same pace as the reduction in the number of clients, given that veterans tend to require more care as they age.

Therefore, payments and benefits related to these new conditions, or to those which have deteriorated, continue to increase. During this time, expenses related to programs for new veterans, namely disability awards and rehabilitation services offered by virtue of the New Veterans Charter, will continue to increase by an estimated 33% and 49% respectively over the next five years.

[English]

With all this in mind, I want to be clear that the demographic shift taking place does not result in any cuts or reductions in programs or services for Canada's veterans. We simply expect to have a lower uptake of our programs toward fewer veterans.

Unfortunately, there have been some reports suggesting that \$226 million in cuts are coming. This is not the case, and I would like to clear this up by taking you through VAC's report on plans and priorities, where I believe that number of \$226 million came from.

The report on plans and priorities is a planning document—and that's it. The projected drop in our budget in 2012-13 is not only a demographic issue but also a reflection of government's routine planning process. This means that programs that begin to ramp up will see their budgets increase after a second and more detailed forecast is prepared in the fall of each year. This, by the way, is known as the supplementary estimates process. As you know, the budget allows for adjustments in funding if the landscape changes, say, if the number of veterans needing support in the future increases.

Programs serving our growing modern-day veteran clients likely will have additional funding added to their budgets as part of this normal business process. This increase would be reflected in the following year's plans and priorities. In the last two years, for example, the average end-year adjustments to the department's budget have been in the order of \$150 million. The scope of these adjustments will continue to go up as Canadian Forces clients and their survivors continue to grow and the usage of our programs increases.

• (0855)

[Translation]

For the current fiscal year, we will solicit a larger amount of additional funds than in the previous 12 years because of the increase in expenses related to the New Charter program.

If we take the example of disability awards, the projected increase for this year should exceed \$200 million, while other smaller programs offered pursuant to the New Charter should result in more modest increases. In fact, our calculations for this year should be enough to amply bridge the gap in terms of the expenses forecasted in the RPP. Incidentally, the reason we are here today is to discuss this matter.

All of these elements are the result of open and transparent processes in the context of which federal budgets are established and ministerial expenses are adapted.

[English]

Having said that, we are projecting that the department will be serving fewer veterans and, as a result, we recognize that the department itself is going to get smaller. We have a choice: we can either fear this change, or embrace it as an opportunity to reorganize the department and to ensure that we have the right people with the right skills in the right places to meet the needs of veterans of all ages. We have chosen the latter.

Furthermore, to provide some context, I would point out that close to 30% of our employees are eligible to retire over the next five years. Consequently, we believe that we can manage this change through attrition and good human resources planning and staffing. For example, Canadian Forces veterans are, in some cases, settling in parts of the country where we do not have a sufficient local presence, and we must adapt to that quickly—and we are. One way we are doing this is by ensuring a stronger presence on and near Canadian

Forces bases. This just makes sense. We need to make sure that our staff are located where the demand for our help is the greatest, and we need to pull back some of our resources from those places where there are increasingly fewer veterans to serve. At the same time, it is critical to maintain a strong presence across the country and at our headquarters in Charlottetown, Prince Edward Island.

We also need to ensure that we have the right policies in place to keep pace with the evolving needs of the men and women we serve. The New Veterans Charter was a crucial first step in modernizing our benefits and programs to meet the new realities of the 21st century. Implemented in 2006, the New Veterans Charter represents a more complete and compassionate approach to helping injured and ill veterans and Canadian Forces members. It also introduced significant new measures to assist their families.

The new Veterans Charter consists of many programs and services that are either new or significantly upgraded. Case management, for example, is the first step in working with veterans and their families to develop the necessary recovery strategies to meet their individual needs. Over the past year, we have added 20 case managers across the country to provide greater capacity for one-on-one support for veterans and their families, who need care and support during the transition.

The disability award is a tax-free payment that recognizes and compensates for the non-economic impact, or pain and suffering, of an illness. Recently, there were some new changes announced to the payment options for the disability award. In addition, there are ongoing financial benefits, rehabilitation services, and also health benefits. Certainly, there is family support. Families of veterans receive more help than ever, from counselling to education grants. We also provide career transition services and, finally, the death benefit, which acknowledges the tragic and non-economic impact on families when they lose a loved one.

In short, the new Veterans Charter has all of the necessary components to provide veterans and their families with the right help at the right time. There were unforeseen gaps in the new Veterans Charter, which veterans and their supporters have let us know about. They told us that most seriously injured and vulnerable veterans were not receiving the full support they needed, whether financial or otherwise. That's why enhancements to the new Veterans Charter were implemented just this month.

By way of a quick review, these enhancements deal with four key areas.

The government established a minimum pre-tax income of \$40,000 a year for all ill or injured veterans, either for those who are in our rehab program or until they are 65 years of age, if they are unable to gain suitable employment.

The government has provided access to monthly allowances for seriously injured veterans.

The government has added a new \$1,000 monthly supplement to the permanent impairment allowance for those who are most seriously injured or ill, or who are unable to be suitably and gainfully employed.

Also a new flexible payment option has been created for CF members receiving a disability award. With these new enhancements, recipients will be able to receive the disability award in annual instalments, or as a combination of a partial lump sum and annual instalments. We realize that veterans deserve the right to choose how it's paid.

We also know that we need to keep improving the way we deliver our services and benefits, and I'd like to take a moment to talk about some of the things we are doing in terms of our five point plan.

We are reducing the complexity of our policies and programs. We are overhauling the way we deliver services. We are strengthening our partnerships with the Canadian Forces. We are sustaining the new Veterans Charter via the recent enhancements made, and we are aligning our operations with the changing demographics of the veterans we serve. Those are the five pillars, moving forward.

● (0900)

In reducing complexity, we have been taking steps to reduce the wait time for disability benefits from 24 weeks to 16 weeks. Through better use of technology, veterans are now able to receive direct deposit, not just for their disability or government cheques but also for the payments they receive with regard to the reimbursements of their treatment benefits. As well, we're providing front-line staff with greater authority to make decisions. We have delegated much authority to the field, meaning that our staff in the field will be able to get the services and benefits that veterans need much more quickly.

As I mentioned, we're also overhauling our service delivery and are working very hard with the Canadian Forces. We've developed 24 Integrated personnel support centres across Canada, and every day over 100 staff at Veterans Affairs actually go to work at or on a Canadian Forces base. I've touched on a number of the priority areas and just want to outline that we're actually trying to make sure that we have the right people in the right place with the right skills, and that they're fully equipped to do their job.

As one last point, I would note that the changes I've described are being driven as much by our employees as from the top down. I see this every day. People who work at Veterans Affairs are there because they want to be, because this is a labour of love for them. This is particularly true of our front-line employees, men and women who consistently go the extra mile for veterans. What's more, it's true, because I regularly hear from veterans who are genuinely grateful for the professional care and attention they receive from our employees across the country. In this way the department and its entire staff are pulling in the same direction.

We know there's always room for improvement. The best news, though, is that it's often our employees who are telling us how we can do things better and how we should be doing things differently. That can only bode well for the veterans, Canadian Forces members and their families who count on our care and support.

With that, Mr. Chair, I want to thank you and your committee for the time here today. I hope we've addressed some of your immediate concerns, and we look forward to your questions.

Thank you.

The Chair: Thank you very much, Mr. Hillier.

We will go to questions. We appreciate the detail that you've provided.

Mr. Stoffer, for five minutes.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Chairman, thank you very much.

Gentlemen, thank you very much for appearing today. I appreciate it.

Sir, I have a simple question about the Department of Veterans Affairs' 2012-13 budget. Will the department be facing a cut of over \$200 million to its overall budget? Yes or no.

Mr. Keith Hillier: No.

Mr. Peter Stoffer: Thank you very much.

Mr. Guy Parent had indicated that if those budget cuts were implemented, services would be cut. I just wanted to paraphrase that on top of that.

Sir, if I'm not mistaken, I believe there are 3,700 contract beds in Canada. There's Camp Hill, the Perley—

● (0905)

Mr. Keith Hillier: Yes, they're contracted beds, of a total of about 10,000 roughly across Canada altogether.

Mr. Peter Stoffer: When the last Korean veteran dies and the last World War II fellow has already gone as well, what will happen to all of those beds?

Mr. Keith Hillier: Mr. Chair, that's an issue that is beyond my scope to respond. It's an issue of a policy for government. I know the honourable member is referring to some issues around eligibility for post-Korean War veterans. That's a matter for government to address.

Mr. Peter Stoffer: Okay.

The reason I bring that up, Mr. Chairman, is that right now, as you know, in order to be eligible for that bed you have to be a World War II or overseas Korean War veteran with a disability. When the last Korean veteran dies, the question is what happens to all those contract beds in the country? For all those veterans who are now in their 60s or 70s, they're not eligible for these beds. Obviously, if he can't answer this question, that's fine, but my thought process on this, for the record, is that those beds will revert back to the provinces. Thus, the members of the armed forces of today will fall under the provincial system if they are to get long-term care, similar to what our World War II guys get.

Sir, you have indicated that Bill C-55 was a positive change to the Veterans Charter, and I agree with you. One of the problems, of course, is that many of those benefits are now taxable. First, I'd like to know why some of those benefits were taxable? Second, you've indicated once again that those benefits are planned until the veterans are 65 years old. What happens to the veteran after the age of 65? In many cases, if I'm not mistaken, they'll be losing money. Do you think that policy is fair to those who live past 65?

Mr. Keith Hillier: Again, Mr. Chair, that's a policy issue. The Government of Canada has established programs for Canada's veterans. If there are to be any changes to those programs, then in fact that would be a matter for the government to deal with.

Mr. Peter Stoffer: Thank you.

My last question is how many DND personnel or service personnel are now receiving a DVA pension of some sort? Do you know?

Mr. Keith Hillier: Sorry, could you repeat the question?

Mr. Peter Stoffer: There are many active Armed Forces personnel who are in receipt of a DVA pension for a disability of some kind. Can you tell us how many current service personnel are in receipt of some form of a DVA pension?

Mr. Keith Hillier: I don't have that right at my fingertips. I'll certainly get back to you on that, as we do have the numbers.

Mr. Peter Stoffer: Okay.

[Translation]

Ms. Annick Papillon (Québec, NDP): Why do we expect there to be fewer veterans who will receive a pension?

From what I can see in the announced plan curtailments, there was an unexpected increase in veterans in 2010-2011 and 2011-2012. How are you calculating your estimate that fewer veterans will be claiming benefits?

[English]

Mr. Keith Hillier: The forecasts are done with regard to the RPP. They're done about a year and a half before the time they actually make it through the cycle. With regard to how we ensure that we are going to have the money to—

[Translation]

Ms. Annick Papillon: How are you making forecasts based on the previous two fiscal years? In 2010-2011 and 2011-2012 there was an unexpected increase in claims.

In light of that fact, how can you make a calculation that itself predicts that there will be even fewer veterans?

[English]

Mr. Keith Hillier: First of all, there are fewer veterans. We track this on a quarterly basis. As I noted in my opening remarks, we are seeing the number of Canadian Forces veterans increasing, passing for the first time the number of war veterans.

I don't want to get into a lesson on the government budgetary cycle, but at the beginning of the year, there's a certain amount of money provided. Then, as we go through the year and we see the trends, we go back for what's called a supplementary estimate. We go back with it.

I think it's really important to note here that when I say that we're going back to get our top-up, if I can call it that, which averages \$150 million, the programs to which veterans are entitled are quasi-statutory. What that means in layperson's terms is that the government must provide the money to us. We don't have to go back to cabinet and ask for additional funding: veterans have a right to various programs and services, and these are statutory in nature.

So when we go back in the fall, we usually say these are the trends and the Treasury Board provides us with the funds in that year to make sure that we can continue to provide services and benefits. So there is no risk here. I want to be clear that there is no risk of money not being provided for the benefits and services to which veterans have a legislated right. There is no risk.

• (0910)

The Chair: Thank you.

We'll now go to Ms. Adams.

Ms. Eve Adams (Mississauga—Brampton South, CPC): Good morning, and thanks for coming. It was a great presentation.

Yes or no, is a \$226-million cut being proposed to veterans' benefits?

Mr. Keith Hillier: No.

Ms. Eve Adams: So, no.

Mr. Keith Hillier: No cuts.

Ms. Eve Adams: So despite all the media reports, despite the opposition making all sorts of alarmist statements, despite the fact I have opposition members sending me letters through social media and asking veterans to write to me—veterans who are concerned about whether or not their cheques are going to decrease next month—there is no decrease being proposed to veterans' benefits.

Mr. Keith Hillier: No, there is not.

Ms. Eve Adams: Do you find it savoury that veterans who have served our country, who have sacrificed for our country, would need to be scared into worrying that their benefits might be reduced next month when a simple phone call to the ministry would have cleared this up?

Mr. Keith Hillier: I won't get into speculating about how veterans should or should not feel; but again, I reiterate that there have been no cuts.

Ms. Eve Adams: Fair enough.

Could you tell us how much the department's budget has increased over the last six years?

Mr. Keith Hillier: It is in the order of hundreds of millions of dollars. I don't have the figure. I've been with the department for a number of years. In recent years there have been no reductions; there has actually been an increase in budgets over a number of years.

Ms. Eve Adams: That increase is because benefits have actually been expanded. There are new services for our veterans.

Mr. Keith Hillier: I think there are two things that have driven the budget. Certainly there have been new programs. As I noted in my opening comments, Mr. Chair, there were changes to the permanent impairment allowance, and so on. There's a minimum threshold for injured veterans. Also, we have seen an increase in Canadian Forces veterans coming forward. As I said earlier, and I repeat, these are statutory, so whether one more veteran comes forward or 10,000 come forward, the money is there to make sure they receive the services and benefits they should receive.

Ms. Eve Adams: In fact, in 2011-12, there's a projected increase in expenditures in the department, largely due to initiatives like the enhanced services for veterans we just announced two weeks ago; the establishment of the Office of the Veterans Ombudsman; and, most interestingly, the *ex gratia* payments related to agent orange, an issue on which the Liberals refused to act.

So there actually is a projected increase in expenditures for 2011-12. Is that correct?

Mr. James Gilbert (Assistant Deputy Minister, Policy, Communications and Commemoration, Department of Veterans Affairs): Yes.

Ms. Adams, if I could add to what my colleague said, that is correct. And in the last five years, the increase has been \$700 million. Since 2005, the accumulated increase to the budget of Veterans Affairs has been \$3.1 billion.

Ms. Eve Adams: That's right. And how much is our total budget?

Mr. James Gilbert: The total budget is....

Mr. Keith Hillier: It's \$3.5 billion.

Ms. Eve Adams: So we've increased a \$3.5 billion budget by \$3.1 billion.

Mr. James Gilbert: That is cumulatively over the five years.

Ms. Eve Adams: Correct.

I would suggest to you, respectfully, that this shows an immense amount of dedication on the part of our government to serving our veterans and ensuring that our veterans have the benefits they need.

To be really clear, you mentioned that you anticipate a 42% decrease in the number of traditional veterans over the next five years. Correct?

• (0915)

Mr. Keith Hillier: That's correct.

Ms. Eve Adams: That's where these estimates are coming from. And the estimates indicated in the report on plans and priorities are just that, estimates.

Mr. Keith Hillier: Yes. I think it's very important to note that they are estimates. That's why the government provides programs such as those for veterans, programs that, again, are referred to as quasi-statutory. In the year, we actually update our projections, because then it's a little closer to reality. That's why I mentioned that in past years we've received increases in the order of magnitude, on average, of about \$150 million.

Ms. Eve Adams: To reiterate, if the estimates are off, you would simply go back and ask for a top-up to the department's budget, but there will not be one single veteran in this country who will not have his or her benefits paid.

Mr. Keith Hillier: That's correct.

Ms. Eve Adams: Thank you very much.

The Chair: You have a little more time, if you want to ask one more question.

Ms. Eve Adams: That's fine.

The Chair: Thank you very much.

We're now going to Mr. Casey, for five minutes.

Mr. Sean Casey (Charlottetown, Lib.): Thank you, Mr. Chairman.

Welcome, gentlemen. It's nice to see you here.

You're familiar with a gentleman by the name of Guy Parent.

Mr. James Gilbert: Yes.

Mr. Sean Casey: Have you had an opportunity to review the comments Mr. Parent made at a Senate veterans subcommittee?

Mr. Keith Hillier: Yes.

Mr. Sean Casey: All right.

He said that he didn't believe that the population was dwindling for VAC but would be increasing. One of the concerns was whether VAC was ready for the possible surge of injuries resulting from recent conflicts. He said:

To clarify, I was trying to identify the fact it does not make sense when the cuts are based on a dwindling population. It does not matter where the cuts will be if you use a dwindling population as an excuse because it is growing on one side, although it may not be dwindling as fast as we expected on the other side. If the reduction is based on a dwindling population, it is not correct.

You've read that, have you?

Mr. Keith Hillier: Yes I have.

Mr. Sean Casey: The floor is yours.

Mr. Keith Hillier: Let me start by saying that the population is decreasing. With regard to Second World War veterans, happily, the rate of mortality is such that people have been living longer, and that's a good thing. But that doesn't in any way threaten the budget or the benefits, because, as I've noted, when we look at our in-year amounts of money that we have—starting off with an estimate, as noted in the RPP—we actually do make the adjustment. So in fact the mortality of Second World War veterans...as Mr. Parent has noted, or if in fact we see far more modern-day veterans, the reality is that the budget will be adjusted accordingly.

In terms of the department, we do not have to go back and ask for additional cabinet authority. We don't have to ask for additional policy. Basically we go through a process with the Treasury Board Secretariat, and the amount of money to the department is increased because it's a statutory payment. If veterans present themselves at any of our offices and they need services, by law we must provide them with the services and benefits they need. Whether it be a disability award or rehabilitation, there is no risk of a veteran not being served.

Mr. Sean Casey: Who's Keith Coulter?

Mr. Keith Hillier: Keith Coulter was an independent assessor. I think that was the term. He actually did an assessment of the department and he filed a report back in the late summer of 2010, I think.

Mr. Sean Casey: Do you have it with you?

Mr. Keith Hillier: No I don't.

Mr. Sean Casey: May we have it?

Mr. Keith Hillier: I will take that under advisement. I believe that may be subject to cabinet confidence, so I'll have to determine whether or not it is still under cabinet confidence.

Mr. Sean Casey: Why is it subject to cabinet confidence?

Mr. Keith Hillier: That is because it was advice to the Government of Canada at the time. Again, I will check to see whether or not it's still subject to cabinet confidence.

• (0920)

Mr. Sean Casey: You've seen it?

Mr. Keith Hillier: Yes.

Mr. Sean Casey: Who else has seen it?

Mr. Keith Hillier: Those who need to see it.

Mr. Sean Casey: Gentlemen, being residents of the beautiful city of Charlottetown, do you read *The Guardian*? It covers the island like the dew.

Mr. Keith Hillier: Yes, I do.

Mr. Sean Casey: If it's in the *The Guardian*, it must be true. You would have read the article last Friday stating that sources within your department, and among the employees whom you oversee, had some pretty specific numbers and some pretty serious concerns about job losses. Have you read the article?

Mr. Keith Hillier: Yes.

Mr. Sean Casey: It states that...on Thursday, The Guardian learned from a senior official in government, who spoke under an agreement of anonymity, these budget cuts will result in roughly 500 positions at VAC being cut over the next four years....

If a 10 per cent reduction is imposed on VAC, another 300 department jobs will be lost the source told The Guardian.

Are you here to tell us today that there will be no job cuts at VAC?

Mr. Keith Hillier: No.

Mr. Sean Casey: Can you confirm the numbers that were reported in our local media?

Mr. Keith Hillier: No, I cannot, but maybe I can provide some explanation. I think there are three things that are getting somewhat mixed up, if I can call it that, and I'd like to break it down into three pieces.

Number one, there's the discussion we have been having about the \$200 million. That has nothing to do with the personnel in the department. As I mentioned, no veterans will lose a penny. Veterans' services and benefits will be provided. However, as I noted in my opening remarks, the department has a new reality, which is that we're in two worlds. My youngest client is 20 years old and I have clients who are over 100. The reality is that the needs and the expectations of the 20-year-old client and those of the 100-year-old are very different because they're at different places in their lives.

In order to move forward and to continue to provide services to our war era and Korean veterans, and also recognizing that in some cases our services are not as fast as they should be—the wait times are too long and some of our business processes are too long—we had a choice. We had the choice of muddling along or we could actually take this on, and we decided to take it on. So over the next five years, there will be a transformation of Veterans Affairs based on the principles that I outlined. We will reduce wait times. We will reduce the complexity. We will work with DND. We will work to enhance the new Veterans Charter and, in fact, we will be reflective of the demographics.

What we're going through is a significant process of business re-engineering. We are fundamentally going to re-engineer our disability award process. And let me be very clear that this is not about reductions or taking any benefits or services from veterans. It's about how we do business, and we're doing business in a very paper-intensive world. That simply does not allow us to be as fast and as nimble as we should be. So that's why in August of this year we started digital imaging of service medical health records at Matane, Quebec. That is why we are re-engineering. That is why we are looking at greater collaboration with the Department of National Defence, so that at the end of the day, it will be a smaller department—but a department that will provide better services to veterans, faster services to veterans, and particularly as they relate to our modern-day veterans. When I go out and talk with veterans and veterans' associations, many of them tell me that we need to step up our game on the website. They appreciate being able to call, but, actually, they would like to be able to transact most of their own business....

That's why we've done these things. And we're just getting started with things such as the direct deposit for claims by some of our benefits. So yes, it will be smaller. The estimate that has been put forward—and I want to stress that it's an estimate, because until you actually do the business of re-engineering, which we've started.... Indeed, we've started the re-engineering for disability benefits, for treatment benefits, and the veterans' independence program. But it's all about providing better service to veterans. In some cases, where we have people who are involved in photocopying paper, moving paper, filing paper, using paper, we are going to move to a much more digital world, and that's going to mean fewer jobs in the department.

Overall, in the department's base, there are upwards of 500 positions that could be reduced over five years via the use of technology throughout the department—and, to some extent, due to the declining numbers....

• (0925)

The reality is that what we've been doing, for example, is adding additional staff in places like Val Cartier, Petawawa, and Edmonton, because there is significant growing need in those places. In some other cities, we have not been adding staff because of the lower demand there. They don't have a high concentration of Canadian Forces veterans, and so we're actually taking those resources and moving to areas of higher need.

The Chair: Thank you very much, Mr. Hillier. I didn't think any members would complain if you gave a fulsome answer, and so I let you go on because you did provide a lot of very useful detail just then.

Now to Mr. Storseth for five minutes.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you very much, Mr. Hillier. I think this is a good opportunity to sit down with you and the department to discuss some of the speculation of the past couple of weeks. I think it's very important as members of the veterans affairs committee.... I know I have several thousand veterans in my riding who were quite concerned about the media reports that were coming out over the last couple of weeks and, quite frankly, the speculation that they were actually not going to get the full services and benefits they were deserving of—as early as next month.

I have a question for you. If an individual stated that the Government of Canada was directly cutting \$226 million in compensation and financial support for ex-soldiers, would that be an accurate statement?

Mr. Keith Hillier: We are not cutting, as I—

Mr. Brian Storseth: So if an individual made that statement, it would not be an accurate one.

Thank you very much. I think it's very important to clear that up. It is important for veterans to know that. I honestly think it's shameful that somebody, or any party, would be using these types of direct fear-mongering tactics to confuse and scare veterans.

Let's be clear. I see these veterans. I have two military bases in my riding. Some of those veterans are 20 or 21 years old and are simply focusing on getting their lives back together, rehabilitating, and moving into civilian life after putting their life on the line for us. And to hear this from somebody in a perceived position of power is very troubling. So I'm glad to hear that it's not true.

The other general demographic of the veterans in my riding who would be hearing these speculations is that of an 85 or 86-year-old elderly gentleman who depends on these benefits and does not have six to eight months' bankroll in the bank. And if his benefits are going to get cut, he is very fearful of that. So I'm glad to hear that those statements are simply not true.

I just want to clarify the following. You were talking about a 42% decrease over the next five years, and a 24% increase from the current number of CF members?

Mr. Keith Hillier: That's correct.

Mr. Brian Storseth: So then if you had fewer clients... If I as a businessman had fewer clients, I would have to budget less money for those clients.

Is that a fair assessment of what's happening, to simplify it for those people who would be listening outside?

Mr. Keith Hillier: That is correct.

And, again, I stress that these are forecasts that can be adjusted, if in fact the need proves to be greater than the forecast.

Mr. Brian Storseth: Because they're statutory payments.

Mr. Keith Hillier: They are quasi-statutory. That's correct.

Mr. Brian Storseth: Then if for some reason, we had an extra thousand veterans who needed benefits that you hadn't forecast, they would still get their benefits?

Mr. Keith Hillier: Most definitely.

Mr. Brian Storseth: I think that's very important. I thank you for clarifying that.

There is, if I have time, Mr. Chair, just one more question I'd like to talk about, because you did mention the 20 case managers across the country. I noticed that page 16 of the RPP outlined some of the department's key priorities, which include reducing complexity, providing veterans with easier and faster access to health benefits, and enhancing case management.

I was wondering if you could talk a little bit about how the department is moving forward in achieving some of these goals.

● (0930)

Mr. Keith Hillier: I'll start with case management and my colleague, James, might want to talk about some of the policy work that is going on.

Case management is at the heart of our business in many ways. I want to stress that not all of the clients or veterans at Veterans Affairs are case managed; many people receive a monthly amount from us and are not case managed. Those who are case managed are the one in most need. These generally are people who are in rehabilitation. They and their family need that extra help to help them adapt to a world they may have been out of for some time. Of course, in the Canadian Forces, things such as medical...everything is taken care of, and then you are no longer wearing a uniform.

In terms of case management a couple of things we have done are very important. We've said that a case manager will have only 40 cases on average. Sometimes it is reported that people have thousands of cases; that is simply not true. As of last month, we were running an average of 33 cases per case manager, so we are well within our target.

This has to do with the streamlining I referred to, where we are giving greater delegation of authority to the case managers in the field. Under the old system, the old business processes, some cases had to be referred to a region, to headquarters, etc. That is not the case any longer. We have minimized the number of cases that would have to be referred up the line, as it were. They may be very difficult, very complex, so what that means to the veteran is that he or she can get the needed services and benefits much more quickly.

Also, to ensure that we have the right mix, if I can call it this, so that people are getting the right degree of attention, we're introducing what we call an intensity tool. For example, not all veterans in rehab have the same degree of challenge, if I might put it this way. To make sure we have sufficient resources, a sufficient number of case managers, we have developed an intensity tool, which we are rolling out. For example, to put it in practical terms, if you and I are both case managers in the same district and you have 40 cases that are at level 10 intensity and I have 40 cases at level 1 intensity, then our degree of challenge every day is not quite the same. We are trying to equip the case managers with the tools, the professional development training, they need because they are at the heart or focal point of helping our most seriously injured veterans to readapt and move forward with their lives in civilian society.

James.

Mr. James Gilbert: If I may have a couple minutes, Mr. Chair.

Our policy framework or policies are overly complex right now. They look like legal documents, and we want them to be clear, we want them to speak for themselves, so that the brave men and women who have these benefits can understand the policies and the directives before them.

Mr. Casey mentioned Guy Parent, the ombudsman. We are having an exciting partnership project with the office of the ombudsman. They had an idea of how we can make the benefits more veteran-focused. If you are a veteran you are looking at your benefits, your services. You can go to a simple tool that will show that. They have developed a benefits navigator, which we took a bit further. This would be a tool for departmental staff to use when facing a veteran and the veteran has questions. It can show them where the veteran served, what type of veteran the person is, what programs they are interested in. And then we have the legislation, the regulation, the policy, and all the directives in one place to streamline the process, to get the information out to the veteran more openly more transparently, and to aid Mr. Hillier's side of the house on service delivery, so those veterans can get the services faster and in a more open and transparent fashion.

That is a project that we have that we are calling policy renewal, which is simplifying the policies to make them more user-friendly, as opposed to someone needing a law degree to understand them.

The Chair: Thank you very much.

We'll now go to Ms. Mathysen.

Ms. Irene Mathysen (London—Fanshawe, NDP): Thank you very much, Mr. Chair.

And thank you, Mr. Hillier and Mr. Gilbert, for being here, because this is very important to all of us and it's not a matter of fear mongering. It's a matter of needing to have the answers to the questions that are out there, because there are many questions. I have a lot of veterans in my community and, quite frankly, they are very upset and need and want clear answers, not spin.

What was the total DVA budget in 2005?

• (0935)

Mr. Keith Hillier: We'll just get the number, but in 2005 I think it was around \$3.1 billion to \$3.2 billion. It was roughly in that order of magnitude.

Ms. Irene Mathysen: Okay.

So by 2007 it was about the same, at \$3.2 billion, and in 2011 it was about \$3.5 billion. You've indicated that was an increase of \$700 million and 90% of that was for disability payments, I understand, and some of those payments were lump sum ones.

Does that mean it wasn't a permanent increase, that in essence once you remove those lump sum payments, the budget remains essentially the same?

Mr. Keith Hillier: No, what you would have to look at when you look at the amount of money that's been injected into Veterans Affairs is the cumulative amount. We do our budget on a yearly basis. In fact, given that the budget went up, may we say, by \$300 million per year for five years, that is actually cumulatively about \$1.5 billion. I just want to make sure we understand each other, that the budget goes up each year.

Some of the driving factors behind the budget increase, certainly, were the new Veterans Charter, the amounts going for disability awards and what have you, and also the amount for Agent Orange. That money is not built into our base, so some of these things come and go over the period of time.

I might make a clarification on the 90%. The 90% of our budget is actually for services and benefits to veterans. It's not just for the disability pensions or the disability awards. It includes our health services and our long-term care. In fact, less than 10% is actually for the operations of the department. We're very highly leveraged in terms of what we pay out to veterans.

Mr. James Gilbert: If I may just give you the specific number for 2005, it was \$2.853 billion.

Ms. Irene Mathysen: Okay, thank you.

Treasury Board has asked every department for a reduction of between 5% and 10%. You say that the needs are escalating. Does that mean that DVA will be exempt from that 5% to 10% reduction?

Mr. James Gilbert: There's a departmental deficit reduction action plan exercise that all government departments are going through. All government departments are looking at their policies, programs, and efficiencies, to come up with proposals of 5% and 10%. Veterans Affairs is going through that exercise like every other department. There have been no decisions made on that. At Veterans Affairs, we're really looking at internal efficiencies, cutting red tape, and moving forward like that.

Ms. Irene Mathysen: But it has to come from somewhere. If you are mandated to reduce spending, it has to come from somewhere.

I want to go back to what you said about the complexity of the services. You said it was like looking at legal documents. That has to be profoundly upsetting for veterans who, no matter the age, are dealing with what amounts to gobbledygook or something that's incomprehensible.

You're talking about the reduction of personnel in the department and that you're going to make the changes by going to computers and websites and things like that. For these human beings who look at this gobbledygook, do they not need other human beings to help them through this process?

I'm very concerned about the loss of personnel at DVA, and that it will, no matter what, have an impact on your ability. I know you are absolutely determined to deliver the very best that you can but I'm worried that these job losses will impact your ability to do that.

• (0940)

Mr. Keith Hillier: Mr. Chair, I would take a different view.

And maybe I can just go back a little bit to the point that Mr. Casey raised. I did talk about two elements, the \$220-odd million we've talked about and the transformation of the department and, as the honourable member has mentioned, the deficit reduction action plan of government. For the deficit reduction action plan, we have gone through the process, and that's all we can tell you. Government will decide. We've gone through the process, as has every department in town.

I think it's very important to note that in the re-engineering, and what have you, that we're doing, we're not eliminating case managers, we're not eliminating the people who deal with veterans. For example, if you look at it over time, over the next five years, to the extent we can increase our website offerings and veterans can get answers to their questions on the website, the fewer the number of veterans who are going to call us. But I want to be very clear that the method of dealing with the department will always be the choice of the veteran. What we want to do is to provide multi-channels. Many of the younger veterans, and actually the siblings of the war era veterans, have certainly told us that they want to be able to do more things online: they want to change their address online, they want to be able to make applications online, and they want to receive communications from us online. So that's going to create a different business model. As we make some of the policy changes that my colleague James has referred to, if we make things simpler, they should be much easier to explain to veterans.

We are a department today that does provide walk-in service. And we actually go out and see veterans, and will continue to do so, if there's a need. So we're not reducing what I would call our service. At the end of the day, I think that five years from now you will see a veterans affairs department that's much more nimble and responsive to the needs of all veterans, whether they're 20 years old or 100 years old.

The Chair: Thank you very much, Mr. Hillier.

As I say, we're going over our time, generally speaking.

I'll now go to Mr. Lobb.

Mr. Ben Lobb (Huron—Bruce, CPC): Thank you, Mr. Chair.

The first question is for Mr. Hillier.

Mr. Hillier, on the report on plans and priorities, can you tell this committee either the date or month it was published and made public?

Mr. Keith Hillier: It would have been published in March 2010. The reports on plans and priorities are part of the government budgetary cycle. I don't have the exact date, but it would have been part of the spring budgetary cycle.

The Chair: Just for clarification, it's 2011, isn't it?

Mr. Keith Hillier: Sorry, 2011. *Je m'excuse.*

Mr. Ben Lobb: I went through this document months ago, but obviously to anybody who was interested, this document would have been available for several months. Correct?

Mr. Keith Hillier: Yes, it would have been available at the time the government tabled its estimates in the House.

Mr. Ben Lobb: So for anybody paying attention, whether a member of Parliament or anybody else concerned about Veterans

Affairs, to read the felonious reports that were put out in October... It must have been fairly surprising to you that it would have taken either that long or that they would have been put in that kind of a spin out in the public domain.

Mr. Keith Hillier: Well, Mr. Chair, I won't comment on that. All I can say is that the information was out there earlier and people choose to look at information at their convenience. So I won't speculate.

Mr. Ben Lobb: Fair enough.

Let's go back several years to 2008, and likely well beyond that, but I won't assume so.

Moving from 2008 forward, every year in the reports on plans and priorities, Veterans Affairs has indicated the unfortunate news that our aging veterans are passing away, but it also indicates a reduction in service uptake, which you've clearly indicated every year since I've been elected since 2008.

Is that correct?

Mr. Keith Hillier: Yes. There has been a gradual reduction in the number of Second World War veterans. The data are quite clear. And as I mentioned in my opening comments, for the first time in the history of the department, we have more modern-day veterans than traditional veterans.

When you get into the budgetary process, it's a series of puts and takes. There have been increases resulting from the new Veterans Charter, and Agent Orange, etc., and there have also been decreases relating to veterans. Also, in that mix, sadly, it's not just the Second World War veterans who are passing away, but also the widows of Second World War veterans. That is one of the drivers of the program's take-up.

● (0945)

Mr. Ben Lobb: Right. That is a good segue to my next question.

You mentioned in your opening statement that the services and benefits provided by Veterans Affairs are statutory in nature and have been legislated by the House of Commons, and are not to be dealt with in the department but simply delivered as presented by the legislation. Can you reiterate and confirm that to this committee?

Mr. Keith Hillier: I confirm that.

Mr. Ben Lobb: Thank you.

Mr. Chair, how much time do I have left?

The Chair: You have a couple of minutes.

Mr. Ben Lobb: Page 14 of this year's report talks about war service veterans, that their demographic is decreasing, and that the number of Canadian Forces veterans is increasing at about the same rate. In fact, in regard to the supplementary estimates, which I think you alluded to in your statement, your forecast back in March is actually playing out.

Is that correct?

Mr. Keith Hillier: Yes.

We're seeing a constant uptake in Canadian Forces, as we've indicated, of about 24%. That is an estimate based on the best information we have, working with our colleagues at DND and the Canadian Forces.

As I mentioned, in some cases we're seeing lower mortality among war-era veterans. In fact, if you look in the report on plans and priorities, you will see a number of charts and graphs, which we have been including for a number of years, actually showing that trend line. It's in the ballpark.

Mr. Ben Lobb: Okay. That's good. I appreciate that.

Mr. Chair, I'm going to read one of the comments that the member for Charlottetown has made. I'm quoting from his website:

The government indicated the biggest reductions will be in compensation and financial support for ex-soldiers. This really is a terrible decision.

In light of what we've heard today and the erroneous comments posted by the member for Charlottetown on his website, I would like to offer him an opportunity at the end of this meeting to apologize in public to veterans for the misleading direction he has taken.

Thank you.

The Chair: Okay. We're just over the five minutes. We have been lenient, but certainly in the next round, we can add back onto it.

Thank you, Mr. Lobb.

Mr. Daniel, go ahead.

Mr. Joe Daniel (Don Valley East, CPC): Again, from a funding point of view, the payouts to the veterans will not be impacted at all by any of these reductions you're planning?

Mr. Keith Hillier: That's correct.

Mr. Joe Daniel: And you will be able to realize the sorts of savings that are being asked of you through efficiencies and the rearranging or business re-engineering of Veterans Affairs?

Mr. Keith Hillier: Yes. The process we're using is actually a generally accepted business re-engineering model that has been well tested in North America. At the end of the day, it's about making it easier for a veteran to get the services and benefits he or she needs and trying to create what I would call a hassle-free environment for people to get the needed services and benefits, through the channel he or she chooses, whether online, at our office, over the telephone, or through the Internet. The veteran will make that choice.

Mr. Joe Daniel: Wonderful.

Changing the subject a little bit, I noted that the projected spending for the Office of the Veterans Ombudsman remains stable. I realize also that OVO is not part of Veterans Affairs. Can you speak to its role and how it works with VAC?

Mr. Keith Hillier: I guess I can start and James can jump in.

First of all, I won't comment on the budget of the ombudsman, because that's a separate entity. I think any comments regarding his budget should be directed towards the ombudsman.

Mr. Joe Daniel: I'm not talking about his budget, but more the relationship between the two organizations.

Mr. Keith Hillier: I would characterize the relationship with the ombudsman as positive. While the ombudsman may have different

views or different opinions, at the end of the day, we're all there for veterans. The ombudsman is there to do the best he can for veterans. Our department is there to do the best we can for veterans.

While sometimes we may have differences of opinion, I think a debate or a discussion actually broadens the opportunities. I would say the relationship with the ombudsman is a positive thing in terms of his making suggestions. My colleague James may want to talk about the benefits navigator, which the ombudsman's office created. We've taken it over and embraced it.

• (0950)

Mr. James Gilbert: The ombudsman would report directly to the minister and not the department, in bringing forward veterans' issues.

Both Mr. Hillier and I have regular meetings with the ombudsman, because we need to find out what's going on from a veteran's point of view. He may find a veteran who is not getting satisfactory responses. By having regular meetings with Mr. Parent at the most senior levels of the department, we can find out what's going on, and sometimes find more expedient solutions to those questions.

We may have different roles and different reporting relationships, but we're all there to support veterans and to provide better services to veterans, so there are no barriers to good ideas. If the ombudsman has a great idea like the benefits navigator, we'll take it and run with it. We have this positive sharing of ideas with the ombudsman's office.

Mr. Joe Daniel: As the role of the veterans changes, the veterans must work with the Department of National Defence to ensure a smoother transition to civilian life. Can you comment on how this transition is taking place and how your relationship with DND accommodates veterans' needs?

Mr. James Gilbert: Part of what we're trying to do in transforming the way the departments work is to strengthen our linkages with the Canadian Forces. There are several examples of that. We recently initiated tours, which were facilitated by the Canadian Forces, of all the various bases across the country, so that we could talk to still-serving members about Veterans Affairs, about their benefits, and about what would happen to them if they became ill or injured. We also reached out to the ill and injured in the audience.

We have a steering committee that Mr. Hillier chairs. I'm a member, along with the Chief of Military Personnel. It meets twice a year to look at these kinds of interests on both the policy and program side.

I am the champion of Canadian Forces culture within the department. I try to make sure that the employees of the department understand the military culture of the brave men and women they're supporting. We've had tremendous support from the Canadian Forces in moving forward on those initiatives.

In our approach to occupational stress injury and post-traumatic stress disorder, we have a network of joint clinics across the country to serve the brave men and women dealing with occupational stress injuries, and we are working closely with the Canadian Forces on this.

So we and the Canadian Forces see the transition from someone still-serving to being a veteran as the key element to get right, and we're working closely with them to make sure we're all on the same page, in working for these brave men and women.

Thank you.

Mr. Joe Daniel: Okay.

The Chair: Thank you, Mr. Daniel. That's good.

That's the end of round one. We're going to go to round two to continue this helpful discussion today.

Mr. Stoffer.

Mr. Peter Stoffer: Thank you once again, gentlemen.

Mr. Gilbert, regarding the 5% and 10% review that every department has been asked to do, is that under way right now in the department? Is that review still taking place?

Mr. James Gilbert: No, we've gone through our departmental review and it has been submitted.

Mr. Peter Stoffer: It's been submitted to the Treasury Board?

Mr. James Gilbert: That's correct.

Mr. Peter Stoffer: Those decisions are made by people at a higher pay scale than you, like the deputy minister, right?

Mr. James Gilbert: They're political decisions made by the Treasury Board.

Mr. Peter Stoffer: Right.

Mr. Hillier, you said that the \$200-million cut that's been reported in the paper is erroneous and that it's not going to happen. I'm just wondering, if the 5% and 10% review has been sent to cabinet for decision, how do you know there are going to be no cuts to the department?

Mr. Keith Hillier: I think we need to go back—

Mr. Peter Stoffer: No, the question is clear. When you were asked by Ms. Adams and me if there was to be a \$200 million cut, you said no.

• (0955)

Mr. Keith Hillier: That's correct.

Mr. Peter Stoffer: But the 5% to 10% review committee of cabinet has been sent those documents for a decision to be made some time in the future. I'm just wondering how you know the decision will be for no cuts.

Mr. Brian Storseth: I have a point of order, Mr. Chair.

My honourable colleague has been in this place a lot longer than I have. I refer to page 1068 of O'Brien and Bosc. In respect of dealing with witnesses, it reads:

Particular attention has been paid to the questioning of public servants. The obligation of a witness to answer all questions put by the committee must be balanced against the role that public servants play in providing confidential advice to their Ministers. The role of the public servant has traditionally been viewed in relation to the implementation and administration of government policy, rather than the determination of what that policy should be. Consequently, public servants have been excused from commenting on the policy decisions made by the government.

I believe this is what my honourable colleague is trying to do, and I believe his question is out of order. I ask you to rule that it is.

The Chair: Rather than staying on a point of order, as a clarification, what I was going to ask...

I understand you're asking how he knows what the budget is going to do. Well, obviously, he won't until the decision.

I do want to make the point that what I've heard clearly this morning is that the statutory funding will not be touched. That's addressed in the supplementary...in the fall. That will be separate from the review process you're going through. That's a protected area, if I read you correctly.

Mr. Keith Hillier: Yes. I was referring to there not being the \$220 million cuts that others have referred to. That's a separate issue. That's why I'm saying it's very important that you fence that in.

Then there's the issue of the transformation that I referred to, and then there's the deficit reduction, for which my colleague has indicated that we've done our work like all departments. We've submitted our documents to the Treasury Board and we wait for government to make a decision.

Mr. Peter Stoffer: Okay.

Mr. Genest.

[*Translation*]

Mr. Réjean Genest (Shefford, NDP): You stated that you are going to adapt to new technologies, the Web, digital, etc. We know, however, that those in need, such as veterans, do not all own computers. Often, because of their physical limitations, they need direct contact with others. Will people be required to talk on the telephone and have a voice tell them to press 2 if they want one answer and 3 if they want another? Will they have a hard time reaching a live person? Will you continue and even improve upon the person-to-person service instead of only relying on a robot?

[*English*]

Mr. Keith Hillier: Mr. Chair, let me be very clear on this. The medium or channel by which a veteran deals with us will be the choice of the veteran. We will make the offering on the Internet. People will still be able to talk to a case manager. They will still be able to talk to a service agent. In fact, this year we've just invested in some state-of-the art technology that allows us to have next-available-agent point of service anywhere in Canada. So in fact we are not moving away from that, but we've actually made investments so that those who choose to use that technology can do so. And for those who are most in need, we have done and will continue to provide the service of going out and meeting with the veteran and the veteran's family. The veteran has the option of including family members or friends in any discussions. It's the veteran's choice.

So we are not going to robotics to respond to veterans' needs.

[*Translation*]

Mr. Réjean Genest: Thank you very much.

[*English*]

The Chair: You still have some time if you want to use it.

[Translation]

Ms. Annick Papillon: My question relates to benefits for part-time reservists, who will receive half as much money. I don't know if you have an explanation to provide on that subject. How come reservists, who take the same risks on the field of battle, will receive half as much money?

[English]

Mr. James Gilbert: If you're looking at reservists who have served in Afghanistan, those would be class B and C reservists, who would receive the exact same benefits as Canadian Forces' members.

[Translation]

Ms. Annick Papillon: So you said that they will have the right to the same financial benefits?

[English]

Mr. James Gilbert: That is correct. There would be no distinction in the new Veterans Charter for class B and C reservists in terms of the financial benefits they would be receiving.

● (1000)

[Translation]

Ms. Annick Papillon: You've also talked about progress that has been made because of the New Charter. I would like to know if you consider the lump sum currently given to veterans to be part of this progress.

[English]

Mr. Keith Hillier: If I understand your question. It's about the lump sum payment. I don't think you can talk about the lump sum payment unless you talk about all of the programs under the new Veterans Charter. Under the old system, prior to the new Veterans Charter, one basically received a disability pension for life, potentially. That was a completely different model about just giving out money.

The new Veterans Charter is about rehabilitation and adaptation. So in addition to having a lump sum, one has to factor into it that there is rehabilitation available, and also retraining. If the veteran is so severely injured that he or she cannot avail themselves of that, then his or her partner can avail themselves of that retraining. While the veteran is in rehabilitation and training, there is actually an earnings-loss program. If, after rehabilitation, training, and medical intervention, the veteran is still not able to get a meaningful job in society, then he or she will actually be paid an earnings allowance to age 65. So you just can't take the lump sum—

[Translation]

Ms. Annick Papillon: Will the veterans have the choice?

[English]

Mr. Keith Hillier: No.

The choice the veteran has with the lump sum is to take it as a lump sum or to take it in installments. That is the choice that they have.

The Chair: Thank you very much.

We now go to Mr. Lizon.

Ms. Eve Adams: Pardon me, Mr. Chair, if I might just offer a clarification: I believe that under the enhancements to the new

Veterans Charter announced two weeks ago, the choice is to take the amount of money in a lump sum, in installments, or some combination thereof.

Could you please...?

Mr. Keith Hillier: Yes, that's true.

Ms. Eve Adams: Thank you very much.

The Chair: Mr. Lizon.

Mr. Wladyslaw Lizon (Mississauga East—Cooksville, CPC): Thank you, Mr. Chair.

Good morning, gentlemen. Thank you for coming here this morning.

I don't want to tire you out. I want to ask one more question because, despite your clarification, I heard my colleagues from the other side talking about the cuts announced or cuts proposed. Were there or are there any cuts proposed or announced?

Mr. Keith Hillier: No.

I think it's very important that, at the individual level, there is no reduction in any benefit or service for veterans, at this point.

Mr. Wladyslaw Lizon: Thank you very much.

You talked about the new technology—using the website and more sophisticated services—but I have some questions in this regard. With the changing demographics, I understand that for the older veterans, it may be difficult to use some of the services.

As for me, despite the fact I use websites and new technology, my preferred way of communication is still the telephone. Would you say this may be the preferred way of communication of the younger veterans? You said that the youngest clients of Veterans Affairs were in their twenties.

Mr. Keith Hillier: Certainly there are individual choices, but I think that all of us who have kids know they text each other and that shopping is not about going to the store but about going online. When you look at the transformation agenda we have, while it's important to make things easier for veterans today, it's laying a foundation for the future. It's recognizing that the world has changed and that people want to deal with government on a different level.

We do recognize that not everybody has access to a computer, and not everybody wants to deal with the government. That's why I say that the choice of channel will be that of the veteran, not that of the department.

Mr. Wladyslaw Lizon: The following may not really be relevant, but I'm curious about it. With the veterans of the Second World War, who would be in their mid-eighties—

Mr. Keith Hillier: Their average age is 88, yes.

● (1005)

Mr. Wladyslaw Lizon: —do you have an indication of what percentage of them are actually using the Internet to communicate with you?

Mr. Keith Hillier: A small percentage is. I would suggest that it's probably less than 10% in that age cohort.

What we are seeing, though, is that the siblings, quite often.... I will cite my own situation here: my mom is 89 years old, and I often do things on her behalf. When I'm dealing with government, I like to use the Internet. It is about the siblings and that, as well. That's why I'm saying that the choice is there for those who want to call us.

We have lots of veterans in their nineties who call us. They call our call centre, or sometimes they drop into our offices and drop off the receipts for their health-related travel, or treatment benefit. There is still lots of interaction with our Second World War veterans.

Mr. Wladyslaw Lizon: You said you have a capacity for dealing with these people on a person-to-person basis?

Mr. Keith Hillier: Yes.

Across Canada, I have approximately 60 service locations, 24 of which are on or near a Canadian Forces base. So while we're reaching out to modern-day veterans and providing a one-stop service for them with the Canadian Forces on the bases, we aren't losing sight of the sacrifice of our Second World War and Korean War veterans. So there has been no reduction in service to these individuals.

They can still go to an office, they can still call us—or in fact they can have their case worker come out and visit with them.

Mr. Wladyslaw Lizon: Thank you.

How much time do I have, Mr. Chair?

The Chair: You have time for one more quick question.

Mr. Wladyslaw Lizon: I have one more quick question. Actually, I may have a longer question, but there would be no time to respond. Nonetheless, I want to ask you this.

You're probably aware that this committee is undertaking a study on commemoration, and I noticed that the RPP contains a projected increase in funds for remembrance. Could you speak to some of these initiatives?

Mr. James Gilbert: Thank you for asking about our commemorative programs and Canada Remembers.

We're moving forward with a number of exciting initiatives. We're wanting to keep service standards to traditional veterans while reaching out to modern-day veterans. Likewise with Canada Remembers, we aim to cherish the memory and remembrance of the brave men and women from the traditional era, but also look at commemorating modern era conflicts. We're reaching out, because, as we're looking at the demographic of the traditional warrior veterans going down, the importance of reaching out to the youth is fundamental to keeping those memories alive.

That's why we are investing in a media campaign. We have a Facebook page. We're always using the new technologies, so this year we'll have an iPad application, an Android application, and we're also using the QR reader technology where you can scan the bar code and go straight to our web page. So we're using all of the modern technology and the social media to reach out. At the same time, we still have *Salute!* magazine in print media format for

traditional veterans. We're pleased to make the investments needed to keep the commemorative activities relevant for Canada's youth.

Thanks.

The Chair: Thank you very much.

Now to the NDP, and Ms. Mathysen again....

Ms. Irene Mathysen: Thank you, Mr. Chair.

I have two questions.

First, you've talked about how you will reach out to veterans. One of my big concerns is about the issue of homeless veterans. We hear that some of them are living in very rough conditions. If they are indeed homeless, how on earth will they contact the department? They don't have access to Facebook or the new technologies. They are quite desperate souls.

My second question pertains to the contract beds in vets' hospitals. I have a veterans' hospital in my riding. I know it's a policy decision that post-Korean vets cannot access these beds, but I'm wondering what the cost is to the department of these contract beds. And when that last Korean vet is gone, where does that money go? Is that a savings to the department?

What concerns me about all of it is.... I believe it was Mr. Gilbert who talked about understanding military culture. Post-Korean vets have a military culture that is not necessarily going to be understood outside of the support of a place like Parkwood Hospital.

Mr. Keith Hillier: Mr. Chair, I'll take the second question first. With regards to long-term care funding, like all funding, any lapse in departmental budgets is returned to the Consolidated Revenue Fund. So it doesn't stay with us—and that would be equally applicable in relation to the beds.

With regards to homelessness, that's a challenging file. I think it's safe to say that if there's one homeless veteran, it's one too many. But I think you have to put it in perspective, and I just want to talk about some of the issues with homeless veterans. Sadly, there are some veterans who are homeless who want to be homeless. There are people who are in fact receiving services and benefits from the department and are choosing a certain lifestyle.

To connect with these individuals, we're working through various social agencies. About 190 agencies have been contacted. We're actually working in Vancouver on the lower east side and doing a project with the Wounded Warriors Society of Canada and Veterans Affairs. We have a somewhat different project with the Wounded Warriors Society in Montreal. We're working with the Royal Canadian Legion in Toronto in a partnership with the Shepherds of Good Hope. In fact, one of our case managers actually goes to work every day at the Shepherds of Good Hope because you're quite right: we have to be able to reach out to these folks. These folks are probably not going to show up at our office and ask for help; a system of trust has to be created.

I can tell you that just last week I was in Halifax and I met with the executive director of Shelter Nova Scotia and I actually met with some veterans from an organization called Veterans Emergency Transition Services. I had a chance to meet with them and look at the types of things they're doing to help get veterans off the street.

Probably the key to this is getting to the veterans before they actually spiral to that, whether you call them couch surfers or others who are going through difficulties in their personal or professional lives, by working with the programs of the new Veterans Charter to get them into rehabilitative services. We can try to prevent the spiralling down to the point where a veteran ends up on the street, but sadly, some will be there. We're doing a lot of work to try to connect with these people through the various social agencies and veterans' organizations. When they make us aware of a veteran we immediately assign a case worker to try to work with that veteran.

• (1010)

Ms. Irene Mathysen: Mr. Chair, I wonder if I could ask—

The Chair: It would have to be very brief.

Ms. Irene Mathysen:—whether the department would supply to the committee that information on the cost of those beds.

Mr. Keith Hillier: Yes.

The Chair: Thank you.

For the last time slot, we go over to Ms. Adams.

Ms. Eve Adams: Thanks.

Well, just to give an update on how it is that we find ourselves here, we were of course in the midst of a study on commemoration. In fact, last week we had a number of witnesses lined up, including a teacher who the night before—at 11:30 p.m., he tells me—had been at a school in St. Catharines. He woke up at about 4 a.m. to get up here to Ottawa to share the story of how he takes more than 2,500 students each year to Vimy. Clearly, then, commemoration is something that is near and dear to many people across Canada—to many children, to many Canadians, and certainly, I'm sure, to every member of this committee. So it was very odd and very unique to halt such a study.

But the concerns that have been raised are alarmist and extreme. I just want to quote from a press release that I'm told has now been removed from a committee member's website. Apparently everything after September 22 has been removed. I'll take that as tacit acknowledgement that in fact the content was erroneous, or perhaps not factual. Perhaps this was an apology.

We do have a number of printouts, of course, but I just want to clarify for the record this time, while we do have everyone here...and because this meeting was convened simply to deal with this subject. So just to confirm, the press release, dated October 19, by a member of this committee, said—and I quote directly—that “they just cut \$226 million from veterans' supports and services”. We learned during this committee meeting that in fact it was not “just”; rather, this projected estimate was issued back in March.

Any member of this committee, whether newly elected or not—let's say they were newly elected in May—would have had ample opportunity to avail themselves of this information. Especially if they were the critic, let's say, for a particular department, they might

want to pull the estimates to see what they say. Those estimates would have been available in May, right after that election.

So to state on October 19 that they “just” cut \$226 million, in some sort of alarmist fashion....

Sir, would you say that's an accurate statement or an inaccurate statement?

• (1015)

Mr. Keith Hillier: I won't comment on your commentary, Mr. Chair. All I can say is that the documents are available as part of the normal government budgetary process. This year has been no different from past years.

Ms. Eve Adams: So it wasn't “just” in October. This estimate was available back in March, as you testified earlier.

Is that correct?

Mr. Keith Hillier: That's correct.

Mr. James Gilbert: And it's not accurate to say that it was a cut.

Ms. Eve Adams: Thank you. Exactly.

So in regard to the following portion of the sentence, which says “cut \$226 million from veterans' supports and services”, has any money been cut from veterans supports and services?

Mr. Keith Hillier: No.

Ms. Eve Adams: I'm sorry, I didn't hear that.

Mr. Keith Hillier: No.

Mr. James Gilbert: No.

Ms. Eve Adams: Thank you.

Just two weeks ago, in fact, an expansion of services and benefits flowed to our veterans under the new Veterans Charter enhancements.

Is that correct?

Mr. James Gilbert: Yes, that's correct.

Ms. Eve Adams: Could you perhaps detail for us some of those enhancements and the expansion of services?

Mr. James Gilbert: Yes, thank you.

If you look at the new Veterans Charter, as we're moving forward—

Ms. Eve Adams: Perhaps you'd be kind enough to focus your attention on the enhancements that we're offering to our most seriously injured and ill veterans, how the additional \$1,000 supplementary....

Thank you.

Mr. James Gilbert: In terms of the key areas of the new Veterans Charter, focusing on low-income veterans, we've established a pre-tax income of \$40,000 a year so that no one will fall below that threshold when he or she is in rehabilitation.

We've improved access to monthly allowances. These allowances are worth up to \$1,631 a month and are payable for life.

We've added a \$1,000 monthly supplement to the permanent impairment allowance to help the most severely injured or ill veterans who are unable to be suitably and gainfully employed. This supplement is also payable for life.

We've created, again, more flexibility, as you mentioned earlier, under the disability award so that veterans themselves can choose how they want to receive it—either one-time or on an annual basis, or a combination thereof.

Ms. Eve Adams: So it's simply not true to say that veterans benefits have been cut by \$226 million.

Mr. James Gilbert: Correct. It's not true.

Ms. Eve Adams: So if someone said so, they were either not doing their homework or perhaps were trying to be alarmist or sensational.

Mr. James Gilbert: I don't know what the motivation would be, but it's not true.

Ms. Eve Adams: In fact, veterans benefits have increased. The announcement to flow that money was made just two weeks ago.

Mr. James Gilbert: That is correct.

Ms. Eve Adams: Mr. Chair, I'd also like to point out and bring to your attention a breach of my privilege. On that same website, there appear to be comments that were raised—and they were raised only in camera—that were attributed to me. That does appear to be a breach of privilege. I think we all need to be aware of our obligations. That blog does appear to be breaching the privilege of members of this committee, so in addition to my committee member's request for an apology at the end of this committee, I would hope that the member would apologize for that breach also.

Mr. Peter Stoffer: Point of order.

The Chair: Yes. I was going to comment—

Ms. Eve Adams: Yes. We'll raise that separately.

Mr. Peter Stoffer: Absolutely. Those comments should be made in camera.

The Chair: Yes. I think the point is made, and I think probably there will be time in committee business, if you want to pursue that, when we will look at the options available.

So that covers your time slot for now.

Ms. Eve Adams: Do I have more time available?

The Chair: Actually, we are at the end of the time slot. I'm sorry.

What I would like to do is what former Chair Sweet did and take the option of actually asking a question, because we have little time.

I want to go back on a couple of things, Mr. Hillier. You and I have been down a lot of roads on a lot of issues before, and one I want to note is the incredible change in approach and attitude in the department from a couple of years ago, in the sense that you are approaching the issues head on, and partnering up. I want to commend all of the departmental people, because I remember some of the difficulties when you tried to defend something that perhaps was indefensible at the time.

In particular—and Mr. Storseth referred to it—I would like to get you to comment a little further on case management. Any of us who have dealt with veterans in very great difficulty realize that a couple of years ago, one of the greatest complaints was that the case manager did not have the authority, the clout, or the wherewithal to actually pursue items or issues. You had to go back up through the chain, and sometimes it took weeks and weeks.

You talk about the increased numbers, but could you also talk a little bit about the increased responsibility they have? What do you see happening in that phase, because it's quite the opposite of having fewer people on the ground? There are more people and more people with more authority, I understand you to be saying this morning.

• (1020)

Mr. Keith Hillier: Yes, Mr. Chair, that is correct.

The case management, as I noted, is really key to the success. I just want to point out that, before we actually get to case management, all members releasing from the Canadian Forces have an opportunity for a transition interview with the department. So within the last six months before they leave, they actually have an interview with a Veterans Affairs person, to make them aware of the services and benefits that they may or may not need. Many people released from the Canadian Forces do not need the services of Veterans Affairs.

With regards to case management, you're quite right that we have delegated, what I would say is, the maximum authority to the field—and not just to the case managers. Certainly, as it relates to rehabilitation, as you noted, they don't have to send it up the chain to get approved. They can actually make the decisions that, in their professional judgment, are best for that veteran.

Also, they work as a health care team so that the case manager works with the veteran—and hopefully with the veteran's family, if the veteran wishes so—to develop a customized case plan. This case plan sets goals and objectives that are reasonable, given the situation the veteran may find herself or himself in.

As we go through this case plan, we have professionals on the ground across the country. So the expertise of the case manager is supplemented by doctors, nurses, professional specialists, physiotherapists, etc. So it's really a holistic view of working with a case plan that is tailored with the veteran and the veteran's family, with the goal of successful reintegration into civilian society.

Thank you for your kind comments. We have accomplished much, but I have to say there's still much to do; we're not there yet.

The Chair: I want to say to both of you, as a matter of fact, that former Minister Thompson said you can never do enough for our veterans.

Thank you very much for the very clear and precise information you provided. I think all members of the committee found it very, very helpful to clarify the issues. All the best to all of those in the department.

Thank you.

We're going to suspend for a couple of minutes, and then go into the committee business section.

[Proceedings continue in camera]

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