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VETERANS OMBUDSMAN
REPORT | JUNE 2013

INVESTING IN VETERANS' VOCATIONAL TRAINING

Canada

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June 12, 2013

The Honourable Steven Blaney, P.C., M.P.
Minister of Veterans Affairs
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister:

I am pleased to provide you with the report of the Office of the Veterans Ombudsman entitled *Investing in Veterans' Vocational Training*.

This report examines the delivery and adequacy of the Department's vocational rehabilitation and assistance services. It offers also recommendations to ensure that Veterans Affairs Canada maintains its commitment to effectively re-establish injured Veterans into civilian life.

Through analysis and research, we identified three areas of concern which may lead to barriers for those interested in attaining university-level post-secondary education or professional designations. This, in turn, may limit the career choices available to a Veteran after sustaining an injury or illness in the Canadian Forces. Veterans should have the ability to self-actualize in the profession of their choice.

Successful rehabilitation and vocational training are integral to the success and self-actualization of Veterans and their families. This is why I hope that you will consider implementing the recommendations enclosed in this report promptly.

I would be pleased to discuss the content of this report and our recommendations at your earliest convenience

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Guy Parent', with a stylized flourish extending to the right.

Guy Parent
Veterans Ombudsman

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MANDATE OF THE VETERANS OMBUDSMAN

The Office of the Veterans Ombudsman, created by Order in Council (P.C. 207-530, April 3, 2007), works to ensure that Veterans, serving members of the Canadian Forces and the Royal Canadian Mounted Police, and other clients of Veterans Affairs Canada are treated respectfully, in accordance with the *Veterans Bill of Rights*, and receive the services and benefits that they require in a fair, timely and efficient manner.

The Office addresses complaints, emerging and systemic issues related to programs and services provided or administered by Veterans Affairs Canada, as well as systemic issues related to the Veterans Review and Appeal Board.

The Veterans Ombudsman is an independent and impartial officer who is committed to ensuring that Veterans and other clients of Veterans Affairs Canada are treated fairly. The Ombudsman measures fairness in terms of *adequacy* (Are the right programs and services in place to meet the needs?), *sufficiency* (Are the right programs and services sufficiently resourced?), and *accessibility* (Are eligibility criteria creating unfair barriers, and can the benefits and services provided by Veterans Affairs Canada be accessed quickly and easily?).

In accordance with the *Veterans Bill of Rights*, Veterans and all other clients of Veterans Affairs have the right to:

- Be treated with respect, dignity, fairness and courtesy.
- Take part in discussions that involve them and their family.
- Have someone with them for support when they deal with Veterans Affairs.
- Receive clear, easy-to-understand information about programs and services, in English or French, as set out in the *Official Languages Act*.
- Have their privacy protected as set out in the *Privacy Act*.
- Receive benefits and services as set out in published service standards and to know their appeal rights.

They have the right to make a complaint and have the matter looked into if they feel that any of their rights have not been upheld.

REPORT SUMMARY

The Government of Canada began offering vocational assistance services to released members of the Canadian Forces after the Second World War. Since then, successful rehabilitation and vocational training has had a positive effect on Veterans, their families and employers. This is because former Canadian Forces members are highly skilled and can offer, given appropriate post-release training, a great deal to the Canadian workforce and economy.

The coming into force of the *Canadian Forces Members and Veterans Re-establishment and Compensation Act*, more commonly referred to as the New Veterans Charter, facilitated the creation of the second of two Government of Canada-supported programs designed specifically to help Veterans transition from military to civilian life, namely:

1. The Vocational Rehabilitation Program administered by the Service Income Security Insurance Plan's Long-Term Disability Plan, of which the Chief of Defence Staff is the policy holder; and,
2. Vocational rehabilitation and assistance services provided through Veterans Affairs Canada's Rehabilitation Program.

The relationship between the two programs is important; however, *Investing in Veterans' Vocational Training* contains the results of research and analysis stemming from complaints received by the Office of the Veterans Ombudsman specifically concerning the delivery of the Department's vocational rehabilitation and assistance services. The relationship between the two programs will be covered in the Veterans Ombudsman's upcoming New Veterans Charter Report.

Veterans Affairs Canada administers services through its Rehabilitation Program. These services are separated into two groups: vocational rehabilitation services and vocational assistance services. Vocational rehabilitation services are designed to restore the working capacity of the Veteran by improving his or her physical or mental health condition(s) in addition to identifying and helping achieve his or her occupational goals. Vocational assistance includes career counselling, training and job-search assistance to help Veterans pursue suitable and gainful civilian employment.

As these services are currently administered, many Veterans who leave the Canadian Forces and wish to build on their existing technical skill sets in a related trade are offered appropriate training by the Department to successfully enter that trade in civilian life. Additionally, federal support for all citizens interested in pursuing a career in a skilled trade has been further strengthened by the Government of Canada's *Economic Action Plan 2013*, which has committed funding to various programs to fill a gap in skilled labour.

Access to programs for those interested in re-establishing into a career in the trades is comprehensive; however, Veterans interested in pursuing university-level education or attaining a professional designation do not share the same access to programs.

As a result of research and analysis pertaining to vocational assistance, the Ombudsman identified three areas of concern:

- Inadequate performance measurement to monitor the subject matter and level of training applicants are receiving, as well as the tracking of applicants placed in jobs following the completion of their Individual Vocational Rehabilitation Plan;
- Limitation to the accessibility of university-level post-secondary education and professional designations for applicants who wish to pursue these options due to emphasis on factors such as cost and duration of such training in the development of individual vocational rehabilitation plans; and,
- Limitation to training that builds on an applicant's existing skills, experience and training, and less of an emphasis on the motivation, interest and aptitudes of the applicant.

These concerns may lead to barriers for those interested in attaining university-level post-secondary education or professional designations. This, in turn, limits the career choices available to a Veteran after sustaining an injury or illness in the Canadian Forces. Veterans should have the ability to self-actualize in the profession of their choice.

VETERANS OMBUDSMAN'S RECOMMENDATIONS

RECOMMENDATION 1: It is recommended that the Department of Veterans Affairs develop appropriate program measurements to effectively monitor Veterans' progression and success in completing their Individual Vocational Rehabilitation Plan, including subsequent employment.

RECOMMENDATION 2: It is recommended that the Minister of Veterans Affairs amend the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* to ensure that all costs associated with post-secondary education are paid.

RECOMMENDATION 3: It is recommended that the Department of Veterans Affairs amend its policies relating to vocational rehabilitation and assistance to ensure that the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* are liberally interpreted with regard to the cost and duration of an Individual Vocational Rehabilitation Plan.

RECOMMENDATION 4: It is recommended that the Department of Veterans Affairs amend its policies relating to vocational rehabilitation and assistance to ensure that the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* are liberally interpreted to allow more flexibility for Veterans to acquire new skills and higher education while also taking into consideration the Veteran's aptitude and motivation in the development of an Individual Vocational Rehabilitation Plan.

THE ISSUE

Veterans Affairs Canada administers a Rehabilitation Program to aid former members of the Canadian Forces who have been medically released or have service-related injuries hindering their ability to work and transition from military to civilian life.¹ The program provides three types of rehabilitation services: medical, psycho-social and vocational.

¹ Veterans Affairs Canada (2012), *Rehabilitation: What Is the Rehabilitation Program?*
Source: <http://www.veterans.gc.ca/eng/services/rehabilitation>.

Since 2007, the Office of the Veterans Ombudsman has received in excess of 100 complaints about the Department's Rehabilitation Program including vocational rehabilitation and assistance services.²

In the review of these complaints, and further research, the Office found several areas of concern, including:

- Inadequate performance measurement to monitor the subject matter and level of training applicants are receiving, as well as the tracking of applicants employed following the completion of their Individual Vocational Rehabilitation Plan;
- Limitation to the accessibility of university-level post-secondary education and professional designations for applicants who wish to pursue these options due to emphasis on factors such as cost and duration of such training in the development of individual vocational rehabilitation plans; and,
- Limitation to training that builds on an applicant's existing skills, experience and training, and less of an emphasis on the motivation, interest and aptitudes of the applicant.

While the above issues will be the primary focus of this report, other concerns relating to the relationship between and the administration of vocational rehabilitation and assistance services under the Department's Rehabilitation Program and the Service Income Security Insurance Plan's (SISIP) Vocational Rehabilitation Program will be covered in the Veterans Ombudsman's upcoming New Veterans Charter Report.

PURPOSE OF THE REPORT

The purpose of this report is to review aspects of the Department's vocational rehabilitation and assistance as offered under the Rehabilitation Program to ensure that these program elements are legislated and administered in a fair manner. The Veterans Ombudsman determines fairness as the adequacy, accessibility and sufficiency of program elements in meeting the needs of Canada's Veterans.³ Subsequently, recommendations will be made to ensure that vocational rehabilitation and assistance as provided by Veterans Affairs Canada meets its purpose, which is to effectively re-establish injured Veterans into civilian life.

² As of April 30th, 2013

³ Veterans Ombudsman (2011), *2010-2011 Annual Report*. p. 3.

BACKGROUND

Terms Defined

Veterans Affairs Canada administers services under its Rehabilitation Program. These services are separated into two groups: vocational rehabilitation services, which are designed to restore the working capacity of the Veteran by improving his or her physical or mental health condition(s) in addition to identifying and helping achieve his or her occupational goals; and vocational assistance, which includes career counselling, training and job-search assistance to help the Veteran pursue suitable and gainful civilian employment. This report focuses on the vocational training aspects of the Rehabilitation Program.

The report also reviews the accessibility of post-secondary education for eligible Veterans. Post-secondary education in this sense means all education requiring the completion of secondary education (i.e. high school or equivalency) and can include, but is not limited to, college, university or trades/apprenticeship training.

Additionally, when speaking of training-related aspects of vocational assistance, these terms are used:

- **Individual Vocational Rehabilitation Plan:** After determining a Veteran's vocational potential, recommendations as to his or her best occupational choice are made by the vocational rehabilitation and assistance provider. This is called an Initial Vocational Assessment. From this, an Individual Vocational Rehabilitation Plan is developed for consideration by a departmental Case Manager. In the plan, the means by which a Veteran will attain his or her vocational goals is described.
- **Earnings Loss Benefit:** A monthly taxable payment, offset by prescribed sources of income (such as the Canada Pension Plan/Quebec Pension Plan, superannuation annuity and other employment income), to ensure that post-release income does not fall below 75 percent of the Veteran's gross pre-release military salary (referred to as "imputed income"). The minimum salary to calculate the benefit for Regular Force and full-time Reserve Force Veterans is based on a Corporal's basic pay incentive, which was \$4,622 per month as of November 2012. In the case of former part-time reservists, the Earnings Loss Benefit is calculated based on 75 percent of a deemed monthly salary of \$2,700.⁴

4 Veterans Ombudsman. *Improving the New Veterans Charter: The Parliamentary Review* (2013). p. 10.

- Canadian Forces Qualification Level 5 (QL5): Intermediate occupational training that is mandatory for career progression for Non-Commissioned Members.⁵
- Red Seal examinations: Interprovincial examinations “... used to determine whether apprentices and experienced tradespersons meet the national standard in a particular trade.”⁶

Origins of Vocational Assistance for Veterans in Canada

“[[The] basic truth... [is] that the great majority of veterans would much rather work than receive relief in any form from the state.”⁷ This quote, by Walter S. Woods, the Department of Veterans Affairs’ first Deputy Minister, characterizes the prominent sentiment that greatly influenced the push for Veterans’ re-establishment after the Second World War. After the challenges faced by Veterans transitioning back to civilian life following the Great War, the Government of Canada was eager to not repeat the mistakes of the past and to transition more effectively the almost 800,000 soldiers who would eventually be released after May 8, 1945, Victory in Europe Day.⁸

One of the major changes undertaken by the Government of Canada was the universal eligibility for rehabilitation services for those released from service guaranteed by the *Post-Discharge Re-Establishment Order* of 1941, rather than only those who had become disabled due to service, as was the case for First World War Veterans.

The *Post-Discharge Re-Establishment Order* included provisions for:

... more generous pensions and post-discharge cash payouts than had been offered in the last war... [the] guarantee of resuming one’s previous employment or obtaining a comparable job with one’s former employer following military service, vocational retraining for all veterans up to a period equal to the time they had spent in uniform, the provision of free university education, preferences to servicemen for a wide array of civil service posts as well as with the National Employment Service for job placement; the right to claim the newly established unemployment insurance benefits for up to one year; and subsidized loans to start a business.⁹

5 National Defence and the Canadian Forces. *Career Progression Tables* (2012). Source: <http://www.cda-acd.forces.gc.ca/au-ns/cpt/ncm-eng.asp>.

6 Red Seal, *Interprovincial Red Seal Examinations* (2012). Source: <http://www.red-seal.ca/c.4nt.2nt@-eng.jsp?cid=29>.

7 Woods, Walter S. *Rehabilitation: A Combined Operation* (Ottawa: Queen’s Printer, 1953), p. 5.

8 Neary, Peter, and J.L. Granatstein. *The Veterans Charter and Post-World War II Canada* (McGill-Queen’s University Press, 1998), p. 10.

9 Ibid., p. 65–66.

The enactment of the *War Services Grants Act* in 1944 enhanced the benefits scheme offered to Veterans after the Second World War. This Act provided a gratuity for those who were conscripted under the *National Resources Mobilization Act* based on their length and type of service (i.e. within Canada or abroad).¹⁰ Veterans who became eligible for the gratuity would also be eligible for the re-establishment credit that would allow them to claim for certain domestic and work-related items to be reimbursed by the government. The purpose of this re-establishment credit was to “... promote employment and domesticity and therefore independence and reliability – which was what the government intended.”¹¹

Due to a better transition to civilian life than after the First World War, Veterans of the Second World War were able to more easily return to the workforce and contribute to Canada’s growing economy. This comprehensive re-establishment effort allowed access to education to those who would otherwise have been unable to attain post-secondary education. Some argue that because of the government’s re-establishment efforts, Canada’s GDP per capita exceeded that of the United States due to a catch-up in labour productivity from the mid-1940s to the late 1970s.¹² This, in turn, fuelled the baby boom economy that provided the trained professionals who became postwar corporate and government leaders.

Some aspects of these benefits and services are reflected in those available to modern-day Veterans. Examples include the Public Service Commission’s priority appointment of medically released Canadian Forces Members to positions within the Public Service of Canada, the SISIP Vocational Rehabilitation Program and Veterans Affairs Canada’s vocational rehabilitation and assistance for those eligible under the Rehabilitation Program. While these services are undoubtedly helpful in returning Veterans to civilian life, they pale in comparison to the number of services offered to returning Second World War Veterans (Annex A), which offered a more comprehensive re-establishment to civilian life than exists for today’s Veterans.

Review of Statutory Obligations

Today, Veterans Affairs Canada’s authority to administer its Rehabilitation Program comes from the *Canadian Forces Members and Veterans Re-establishment and Compensation Act*,¹³ more commonly referred to as the New Veterans Charter, which came into force in 2006. While the Department

10 Ibid., p. 8.

11 Ibid., p. 8.

12 Nicholson, Peter J. “The Growth Story: Canada’s Long-run Economic Performance and Prospects,” *International Productivity Monitor* (Fall 2003), p. 6.

13 *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* (SOR/2006-50).

also dispenses benefits and services to Veterans under the *Pension Act*,¹⁴ this Act does not offer provisions for vocational rehabilitation and assistance.

In order for a Veteran (or additionally his or her spouse or survivor) to be eligible for Rehabilitation Program services under the New Veterans Charter, the Department must determine if the Veteran has or had a “... physical or mental health problem resulting primarily from service in the Canadian Forces that is creating a barrier to re-establishment to civilian life.”¹⁵ Furthermore, a Veteran who “... has been released on medical grounds in accordance with Chapter 15 of the *Queen’s Regulations and Orders for the Canadian Forces*” (i.e. received a medical release) is also eligible to receive Rehabilitation Program services if an application is made to Veterans Affairs Canada within 120 days of release.¹⁶

Once eligibility is determined, the Department identifies vocational or rehabilitative needs and develops and implements an Individual Vocational Rehabilitation Plan in order to transition a Veteran to civilian life or to restore the earnings capacity of his or her spouse or survivor.¹⁷

In developing an Individual Vocational Rehabilitation Plan, the Department is to take into consideration the associated principles and factors (as outlined in the regulations below) as well as current research as it pertains to rehabilitation and vocational assistance.¹⁸ In addition, specific allotment for reimbursement is outlined in detail in the associated regulations.

Review of Current Regulations

The *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* offer specific guidance to the Department and program administrators as to the specific monetary allotment allowable for vocational training, as well as factors that administrators must take into consideration while developing or approving an Individual Vocational Rehabilitation Plan.

14 *Pension Act* (R.S.C., 1985, c. P-6).

15 *Canadian Forces Members and Veterans Re-establishment and Compensation Act* (S.C. 2005, c. 21), sec. 8(1).

16 *Ibid.*, sec. 9(1-2).

17 *Ibid.*, sec. 10(1-4) and 13(1-3).

18 *Ibid.*, sec. 10(5).

In the development of an Individual Vocational Rehabilitation Plan, the Department must consider the following principles:

- The provision of services is focused on addressing the needs of the applicant;
- The provision of services involves family members to the extent required to facilitate the rehabilitation;
- Services are provided as soon as practicable; and,
- Services provided focus on building the Veteran's education, skills, training and experience.¹⁹

In addition to the above, the Department must also take into account the following factors:

- The potential for improvement to a Veteran's physical, psychological and social functioning, employability and quality of life;
- The need for family members to be involved in the provision of services;
- The availability of local resources;
- The motivation, interest and aptitudes of the Veteran;
- The cost of the plan; and,
- The duration of the plan.²⁰

As outlined above, some factors that administrators must take into consideration while developing or approving an Individual Vocational Rehabilitation Plan can leave room for varying interpretation. In order to offer more guidance to the Department with reference to the cost of the plan specifically, the regulations also specify the maximum allotment for reimbursement for a variety of items (Figure 1).

19 *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations (SOR/2006-50)*, sec. 8(a-d).

20 *Ibid.*, sec. 9(a-f).

Figure 1. Expenses covered under the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations*²¹

Training Item	Covered Expenses
Tuition	\$20,000 maximum
Books	100 percent
Supplies	\$40 per month
Internet fees	\$25 per month
Licensing and exams	\$500 maximum
Safety and special equipment and clothing	\$300 maximum
Tutor	Value of 10 hours maximum
Transportation	\$0.15 per kilometre, to a maximum of \$500 per month OR the cost of a monthly transit pass
Disabled parking	Cost of parking for those with a provincial disabled parking card

If the distance to facility is too great for daily commute:

Temporary accommodations	\$500 per month maximum OR \$1,000 per month
Travel	Cost of two return trips from the person's residence to the location of the training facility
Dependant care	\$750 per month maximum

In addition to the various reimbursements, those eligible also receive the Earnings Loss Benefit during the time they are in receipt of vocational rehabilitation or vocational assistance. The purpose of the Earnings Loss Benefit is to partially replace the income that individuals would have been making prior to their release during the time that they are in a training or educational program. The Earnings Loss Benefit is equivalent to 75% of the member's pre-release salary, less offsets.²²

21 Ibid., sec. 15(a).

22 Veterans Affairs Canada. *Earnings Loss Benefit Policy* (October 1, 2012).

PROGRAM ENROLMENT

Once a Veteran is determined to be eligible for the Rehabilitation Program, and requires vocational rehabilitation or vocational assistance, Veterans Affairs Canada will refer the client to CanVet (the sole national contract service provider), which is responsible for determining the skills, strengths and aspirations of the client and for developing an Individual Vocational Rehabilitation Plan that is to be presented and either approved or denied by a departmental Case Manager.²³ It is the Case Manager's responsibility, as a statutory decision maker, to ensure that the educational plan meets the requirements as stated under the New Veterans Charter as well as the relevant regulations.

When the Office of the Veterans Ombudsman began looking at Veterans Affairs Canada's vocational rehabilitation and assistance services, it requested the most current statistics available on vocational rehabilitation and assistance from the last fiscal year and years prior. The statistics, found in Annexes B–F, were provided by the Department's Statistics Directorate and the Case Management, Rehabilitation and Mental Health Services Directorate.

According to the Department's statistics, the average amount of claimed tuition per client in 2011–2012 was \$4,265, which was a decrease of \$54 over the year prior (Annex C).²⁴ This figure is an overall average across all of the different types of educational institutions (i.e. college, trade school, university, etc.).

Of the 1,327 clients receiving vocational rehabilitation and assistance in 2011–2012 (Annex B), 436 clients had completed their individual vocational rehabilitation plans of which 32 had completed some form of university training lasting on average 28 months, or 2.25 years (Annex D). As it takes an average of four years of full-time studies for an individual to complete an undergraduate degree, these Veterans were likely taking courses to complete a certificate program, completing an already commenced undergraduate degree, or enrolled in a master's degree (which takes on average two years of full-time study).

It has been difficult for the Office of the Veterans Ombudsman to determine how many Veterans are receiving training at a specific level within an educational institution or what form of skills training they are receiving (i.e. plumbing, heating and cooling, woodworking, etc.) because CanVet does not capture these statistics. Additionally, the Office of the Veterans Ombudsman has found issues with employment statistics (Annex F) because CanVet normally allows for a three-month job search

23 CanVet. *Frequently Asked Questions* (2009). Source: <http://www.canvetservices.com/faq-eg.html>.

24 This is the average amount of claimed tuition for fiscal year 2011–2012 only, and not the total claimed tuition per client for the duration of their vocational training.

Note: Figures are rounded to the nearest dollar.

period after the completion of training, as specified in the client's Individual Vocational Rehabilitation Plan, whether the Veteran finds work or not.²⁵ At the end of the three-month period the file is closed, stating simply that the Veteran did or did not find work.

From a program evaluation perspective, these statistics are not comprehensive enough to adequately measure the success of Veterans finding work based on their previous type of training, especially in cases where more than three months may elapse before a Veteran finds employment. An example of this would be a Veteran who finishes teachers' college in the month of April, but is not hired until the month of August or September prior to the commencement of the next school term. He or she would be considered to be unsuccessful in finding employment because more than three months elapsed and the file was closed.

THE COST AND BENEFIT OF POST-SECONDARY EDUCATION

In the current Canadian workforce, post-secondary education is of growing importance in many industries, especially if an individual is to be considered competitive. In the absence of certain positions or work, due to the current economic climate, many aspiring professionals have returned to educational institutions to upgrade their skills and improve their resumé's. Also, because both private and public sector employers are requiring a higher level of education, there is a growing necessity for many individuals, including Veterans, to attain formal post-secondary education.

There are many benefits to having post-secondary education that not only include competitiveness in the workforce for the individual, but also higher wages and, therefore, less reliance on publicly-funded programs. Allowing eligible Veterans to be in receipt of higher education can be beneficial to the Government of Canada in both the immediate and the long term.

25 Veterans Affairs Canada does have the capacity to extend CanVet time limitations however, this only occurred in 262 instances since April 2009.

Average Cost of Post-Secondary Education in Canada

Despite all of the benefits of attaining post-secondary education, it is nonetheless an investment that comes with a cost. The average cost of university education in the academic year 2012–2013 is \$5,581, which, according to Statistics Canada, is a 5% increase from the year previous (Figure 2).

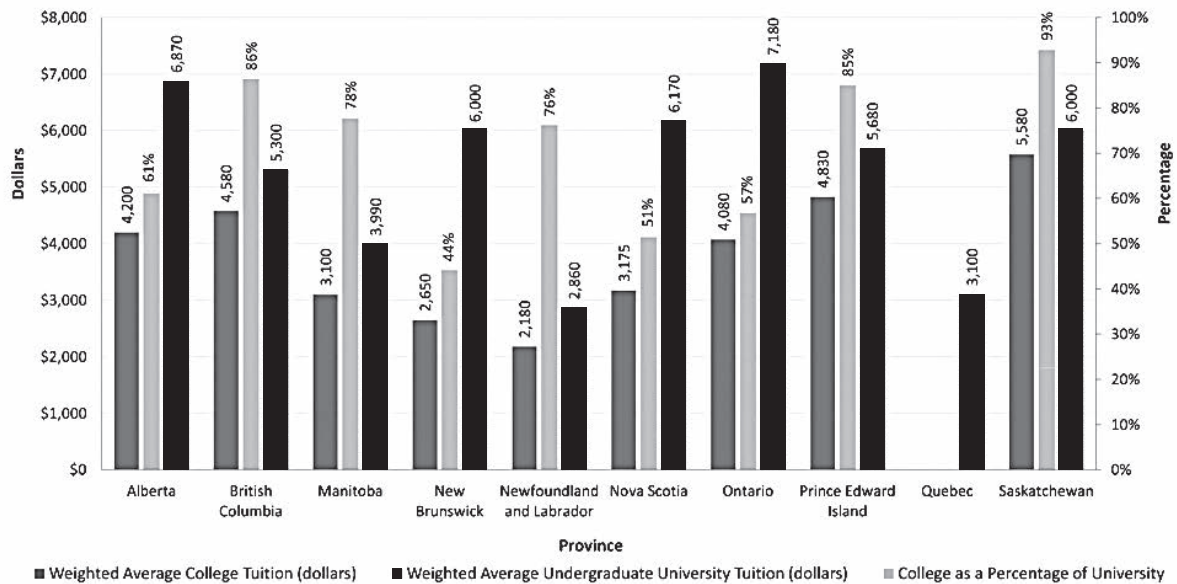
Figure 2. Average Cost of University Tuition²⁶

Province	Current Dollars			Percentage Change	
	2010–11	2011–12	2012–13	2010–12	2011–13
Canada	5,146	5,313	5,581	4.3	5
Newfoundland and Labrador	2,649	2,649	2,649	0	0
Prince Edward Island	5,131	5,258	5,470	2.5	4
Nova Scotia	5,497	5,722	5,934	4.3	3.7
New Brunswick	5,647	5,728	5,917	3.6	3.3
Quebec	2,411	2,520	2,774	4.5	10.1
Ontario	6,316	6,815	7,180	5.1	5.4
Manitoba	3,593	3,638	3,729	1.4	2.5
Saskatchewan	5,431	5,734	6,017	3.1	4.9
Alberta	5,505	5,663	5,883	2.9	3.9
British Columbia	4,758	4,919	5,015	2	2

There is a disparity between the cost of tuition between colleges and universities (Figure 3), which is only exacerbated by the fact that the average full-time college program is two years in length, while the average university undergraduate program is four years in length.

26 Statistics Canada. *University Tuition Fees* (2011).
Source: <http://www.statcan.gc.ca/daily-quotidien/110916/dq110916b-eng.htm>.

Figure 3. College and University Tuition and Fees, by Province, 2010-11²⁷



According to the Canadian Centre for Policy Alternatives, average tuition and compulsory fees for undergraduates have risen by 6.2% annually since 1990, which is three times the rate of inflation.²⁸

As currently outlined in the Regulations, the maximum allotment for tuition for those eligible for vocational rehabilitation and assistance is \$20,000.²⁹ However, if the total tuition over four years of an undergraduate degree is calculated at 2012–2013 levels, the average is \$22,324.³⁰ Therefore, the maximum tuition allotment for those eligible for vocational rehabilitation and assistance services, and who wish to pursue post-secondary studies, does not meet the average for university tuition in Canada. This is of particular concern because Veterans Affairs Canada will not enter into a partial funding agreement with a Veteran if they cannot cover the entire cost of the training. For example, if a Veteran wishes to attain an undergraduate degree that costs more than the \$20,000 maximum, and is willing to pay the remaining cost of the program, the Department will not agree, as it will only approve programs that are under the maximum.

27 Berger, Joseph (Higher Education Strategy Associates). *College Tuition: More Than You Think* (2011). Source: <http://higheredstrategy.com/college-tuition-more-than-you-think/>. Data from September 2012.

28 Macdonald, David, and Erika Shaker. *Eduflation and the High Cost of Learning* (Canadian Centre for Policy Alternatives, 2012). p. 6. Inflation as measured by the Consumer Price Index was 1.3% between July 2011 and July 2012.

29 *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations*, (SOR/2006-50), sec. 15(a).

30 Maximum of \$28,720 (Ontario); minimum of \$10,596 (Newfoundland and Labrador).

While there is a renewed emphasis on skills training, as was evident in the Government of Canada's *Economic Action Plan 2013*,³¹ it is important not to overlook the disparity of funding currently available among university-, college- and trade-level training. While there are many programs and assistance at the federal level for those interested in pursuing trades, such as Apprenticeship Grants, the recently announced Canada Job Grant, the Apprenticeship Job Creation Tax Credit and Tax Deductions for Skilled Tradespersons and Apprenticeship Mechanics, there is no existing funding for those interested in pursuing university education other than what is available to all students wishing to pursue post-secondary studies.

This is further exacerbated by the fact that eligible Veterans who are interested in pursuing post-secondary education as a part of their Individual Vocational Rehabilitation Plan are not able to pursue this education given the current \$20,000 tuition maximum, while their counterparts interested in receiving trade or college training are able to do so as the fees fall within the maximum allotment.³²

For example, if a Veteran who was an electrical technician in the Canadian Forces prior to his or her medical release is interested in using this skill in the civilian world to become a licensed electrician, and if the Veteran does not have QL5 training at the rank of a Corporal, he or she would need to attend two years of trade school prior to being able to write the provincial Red Seal Certificate and Qualification exam. This would cost on average \$2,600 per year³³ or \$5,200 total. However, if the Veteran wanted to become an electrical engineer, this would require a four-year undergraduate degree costing on average \$5,581 per year, or a total of \$22,324.

Under the current Regulations, the cost of becoming an electrician would be covered, as it is below the \$20,000 maximum. However, the same cannot be said for the aspiring electrical engineer, whose tuition is over the maximum. In the latter instance, because of the factors of cost (i.e. maximum tuition), as well as duration (as stipulated under the regulations), the Veteran would not be able to attain his or her desired training goal.

The \$20,000 maximum tuition allotment has not changed since the implementation of the Regulations in 2006. Furthermore, the increase in tuition above the rate of inflation will aggravate the growing gap between university tuition and the maximum reimbursement for tuition, as stated in the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations*. Thus, for

31 Government of Canada. *Economic Action Plan 2013: Jobs Growth and Long-Term Disparity* (2013).
Source: <http://www.budget.gc.ca/2013/doc/plan/budget2013-eng.pdf>.

32 Veterans Affairs Canada does have the capacity to exceed the amounts outlined in subsection 15(1)(a) of the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* when evidence demonstrates the need in accordance with subsection 15(3).

33 Government of Canada. *Economic Action Plan 2013: Jobs, Growth and Long-Term Prosperity* (2013).
Source: <http://www.fcac-acfc.gc.ca/eng/consumers/lifeevents/seconddeduc/budget/index-eng.asp#ftn2>.

Veterans of the Canadian Forces, the distance between their desired goal of obtaining an undergraduate degree and the realization of it will only continue to increase in the future.

Other Costs Associated with Education

While one of the major expenses incurred by students pursuing post-secondary education is tuition, there are many other expenses that are essential to their success. As outlined in Figure 1, the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* cover a variety of costs associated with formal training. While reimbursement for these costs is essential for those enrolled in post-secondary education, some of the current maximum reimbursements are not sufficient to cover cost in relation to Internet fees and licensing/exam fees.

Internet Fees

The maximum allotment for Internet fees under the current regulations is \$25 per month. According to the Canadian Radio-television and Telecommunications Commission, the average Canadian high-speed Internet service in 2011 cost \$50 per month.³⁴ This leaves a shortfall of \$25 per month for the client.

Licensing/Exam Fees

The current maximum allotment for licensing and exam fees is \$500. For some trade occupations, such as plumbing and heating technicians, electrical distribution technicians and construction technicians, the current exam allotment is sufficient (e.g. in the Province of Ontario the exam cost for these trades is between \$100 and \$160).³⁵ However, for professional designations, such as Canadian Registered Safety Professional and Certified Management Accountant, the exam allotment is not sufficient. For example, for the Canadian Management Accountant designation, the cost to take the exam in Ontario is \$1,836,³⁶ which would leave a shortfall of \$1,336 for the client, and the Canadian Registered Safety Professional designation costs \$600,³⁷ leaving a shortfall of \$100.

Using the same example as above, if a Veteran completes his or her two-year electrical program and requires provincial licensing as an electrician, then, in the Province of Ontario, the cost to take the necessary exams and receive his or her license ranges between \$100 and \$160, as stated above.

34 Canadian Radio-television and Telecommunications Commission. *Price Comparisons of Wireline, Wireless and Internet Services in Canada and with Foreign Jurisdictions* (2011).

Source: <http://www.crtc.gc.ca/eng/publications/reports/rp1106.htm#5.1>.

35 Government of Ontario. *Writing Your Certificate of Qualification Exam: A Guide for Applicants* (2012). p. 13.

Source: <http://app06.ottawa.ca/cs/groups/content/@webottawa/documents/pdf/mdaw/mtkx/~edisp/cap201214.pdf>.

36 Certified Management Accountants of Ontario. *How Much Does It Cost?* (2012).

Source: <http://www.cmaontario.org/BecomeaCMA/HowMuchDoesitCost.aspx>.

37 Board of Canadian Registered Safety Professionals. *Application for the CRSP Designation* (2012).

Source: <http://www.bcrsp.ca/application.html>.

However, in the case of a Veteran who completes a Bachelor of Engineering and wishes to receive his or her designation as a Professional Engineer, the exam and licensing costs can surpass \$1,350 in Ontario.³⁸ Considering these scenarios, it is evident that depending on the Veteran's desired occupation, the regulatory amount may not be sufficient to cover the necessary costs.

Employment, Income and Retirement after Graduation

While there is much demand for skilled labour in the Canadian economy, there is also a rapidly growing market for workers with university-level education.

Canadian Business magazine, in April 2012, released a chart of the top 50 occupations with the most growth between the years 2006–2011 (Figure 4). Of the top 10 occupations, at least half (i.e. health policy researchers, translators, natural science policy researchers, architects and chemical engineers) usually require candidates to have a university undergraduate degree at minimum.

Figure 4. Occupations by Highest Growth³⁹

Overall	Occupation	Percentage Growth in Number of Employees (2006–2011)	Median Annual Salary (2011)	Percentage Change in Salary (2006–2011)
1	Health policy researcher	102.00	66,560	17.73
2	Translator	86.15	54,080	15.56
3	Petroleum engineer	85.29	90,002	12.51
4	Natural science policy researcher	76.27	73,590	25.42
5	Immigration and revenue officer	72.94	56,160	9.67
6	Electrical and telecommunications contractor	67.27	69,160	21.31
7	Architect	65.56	60,008	10.79
8	Data analyst	63.58	66,040	22.12
9	Chemical engineer	63.49	72,800	12.00
10	Construction estimator	63.37	53,331	11.09

38 Association of Professional Engineers of Ontario, *Licensing Guide and Application for License* (2012). p. 8.

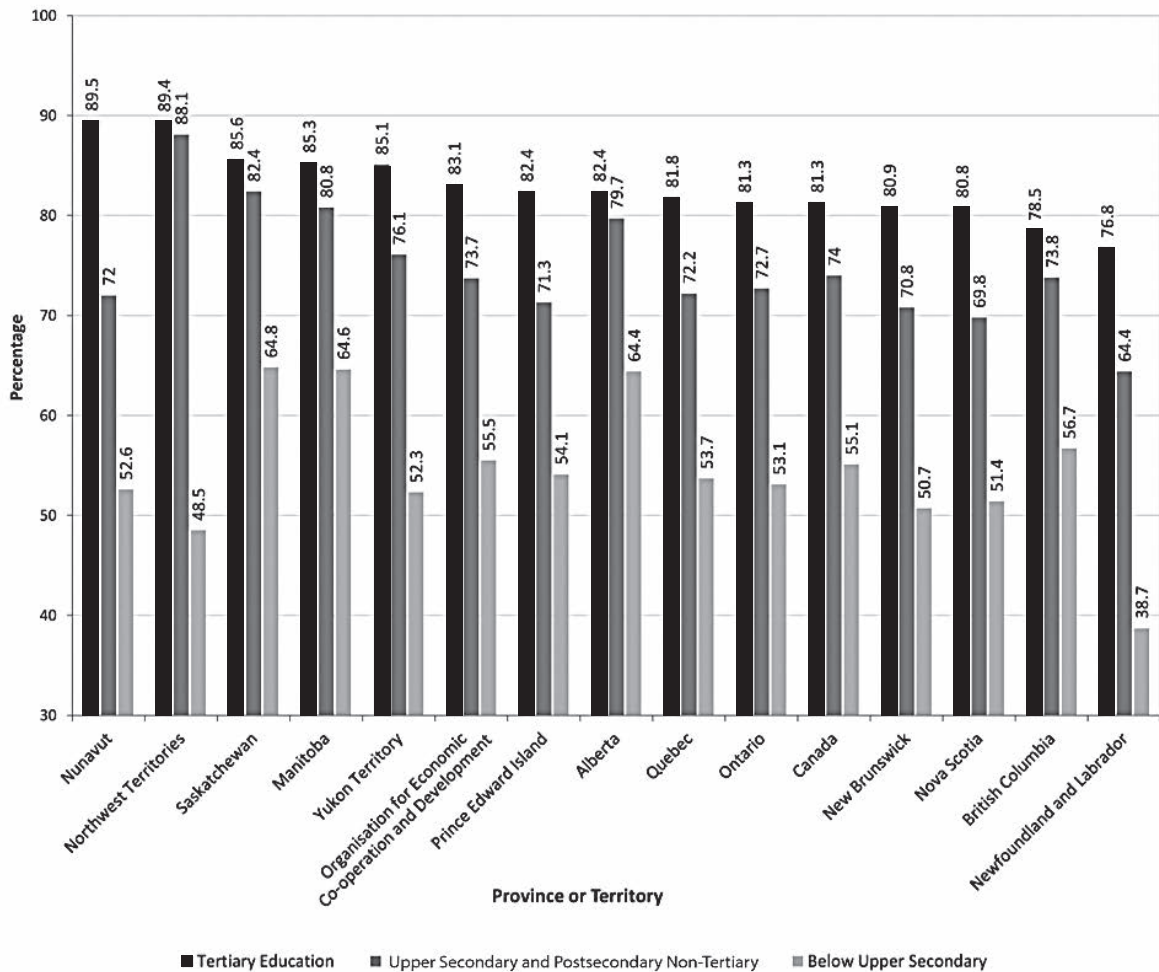
39 *Canadian Business*, « Canada's Best Jobs: Best job growth », 2012. Source : <http://www.canadianbusiness.com/article/80467--best-job-growth>.

- Based on Statistics Canada data on employment and wages. Only the top 10 occupations are listed in Figure 4.

Therefore, with some of the fastest-growing occupations requiring either a college diploma or an undergraduate degree, ensuring that Veterans have the opportunity to receive either level of education becomes essential to their success in the workforce.

Regarding employment levels, it is important to note that Statistics Canada concluded in a 2012 study that those with university or college education are employed at higher rates than those with a high school diploma or without a high school diploma (Figure 5).

Figure 5. Employment Rates (25- to 64-year-olds by highest level of education)⁴⁰

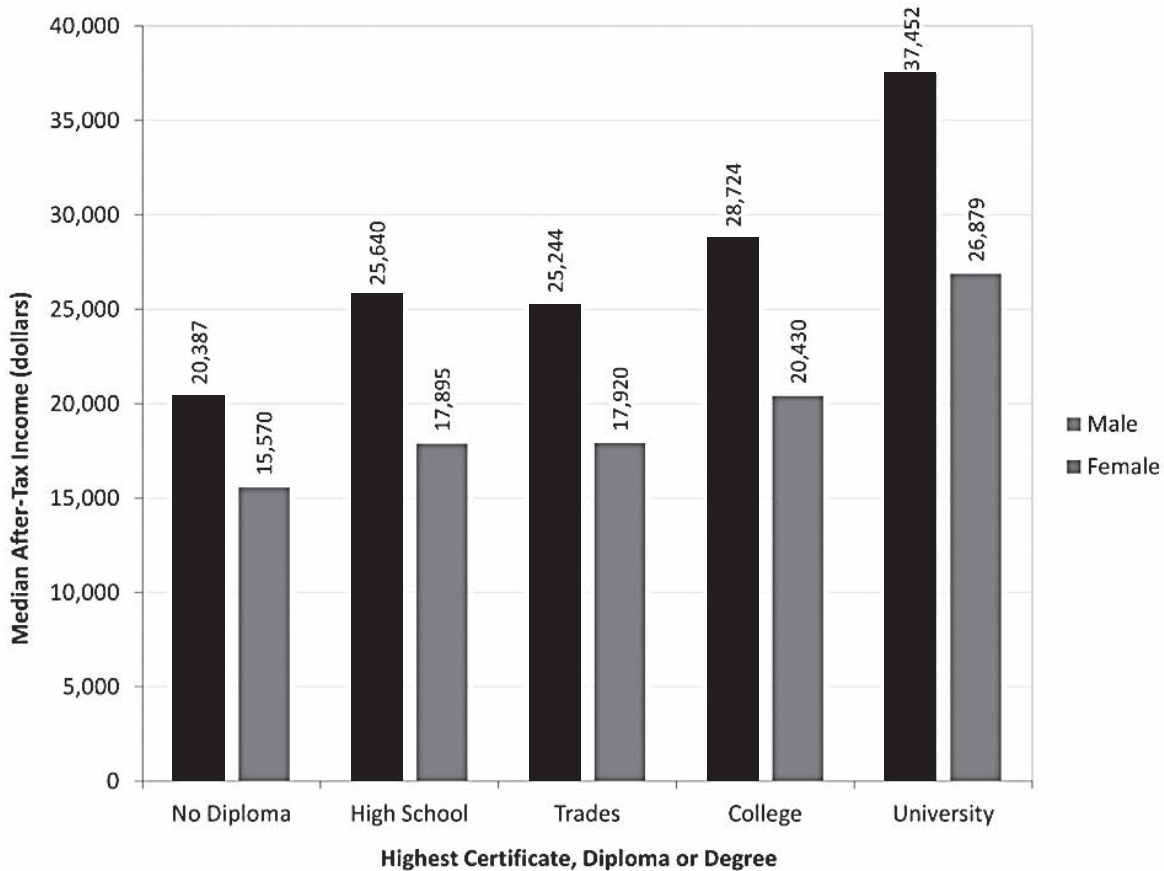


Of equal importance is the fact that the benefits of post-secondary education extend beyond earnings during one's working life and into retirement. Besides the theoretical savings of larger-than-average earnings, post-secondary graduates have more earnings after retirement from higher pensions.

40 Statistics Canada. *Educational Indicators in Canada: An International Perspective* (2011). p. 57. Source: <http://www.statcan.gc.ca/pub/81-604-x/81-604-x2011001-eng.pdf>.

Statistics Canada measured this in the 2006 Census. According to their data, male university graduates, who are now seniors, made a median income of \$37,452 after taxes in 2006, and senior female university graduates made \$26,879. Therefore, in 2006, male university graduates earned at least \$8,728 more than their counterparts in any other levels of education, while women made \$6,489 more than their counterparts (Figure 6).

Figure 6. Median After-Tax Income for Seniors⁴¹



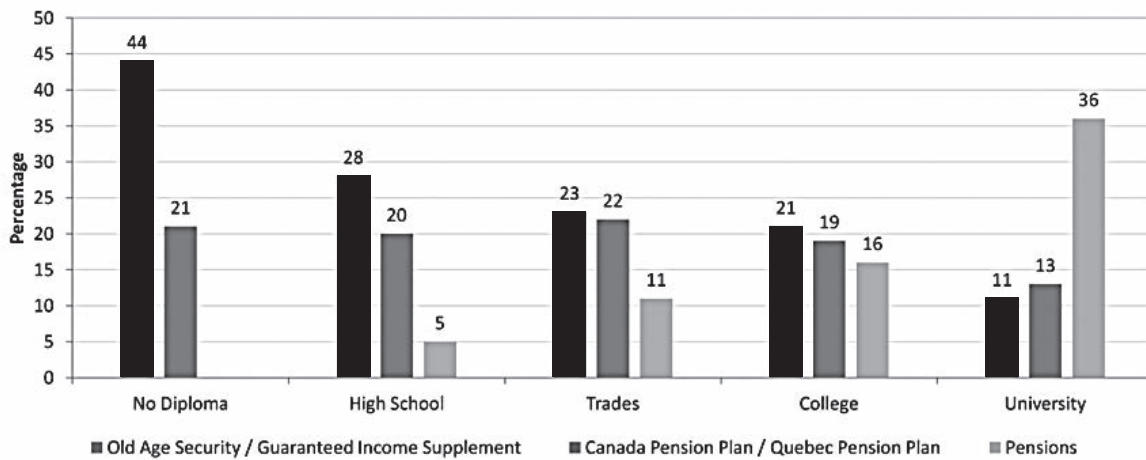
Also, due to the greater earnings of seniors with post-secondary education, their financial burden on public programs is significantly less than other educational groups.

41 Public Health Agency of Canada (PHAC). *The Chief Health Officer's Report on The State of Public Health in Canada 2010* (2010). Chapter 3: The Health and Well-Being of Canadian Seniors.
 Source: <http://www.phac-aspc.gc.ca/cphorsphc-respcacsp/2010/fr-rc/cphorsphc-respcacsp-06-eng.php>.
 - PHAC calculations using Statistics Canada data, Census 2006.

Benefits of Post-Secondary Education for the Government

Many of the benefits to individuals who have graduated from a post-secondary institution can be shared by the Government of Canada. Due to the low levels of unemployment among university and college graduates, overall government payout of Employment Insurance regular benefits tends to be significantly lower among university and college graduates, as compared to other levels of education. Also, eligibility for government-funded programs such as the Guaranteed Income Supplement is less likely, due to the greater earnings of seniors who are university graduates, thus again lightening the financial burden on the Government of Canada (Figure 7).

Figure 7. Percentage of Income Among Seniors by Income Level, 65 and Over⁴²



By avoiding possible expenditure in Employment Insurance regular benefits due to a high level of employment among those with a university education, as well as avoiding Guaranteed Income Supplement benefits due to higher levels of employment, the Government would see savings in both the intermediate and long term by increasing the maximum tuition allotment for Veterans in receipt of vocational rehabilitation and assistance services.

42 Human Resources and Skills Development Canada (HRSDC). *Special Reports – What Difference Does Learning Make to Financial Security?* (2008). Source: <http://www4.hrsdc.gc.ca/.3ndic.1t.4r@-eng.jsp?iid=54#a5>.
 - HRSDC calculations using Statistics Canada data, Census 2001.
 - While this information is from 2000, this was the last time that Statistics Canada measured seniors' income by education level, as there appears to be no correlations made of this nature in the 2006 Census.

SKILLS VS. MOTIVATION

As has been demonstrated, there are many different regulatory principles that Veterans Affairs Canada must take into consideration when weighing the training options for Veterans eligible to receive vocational rehabilitation and assistance. An especially welcoming one is that the Department must consider “...the motivation, interest and aptitudes of the applicant.”⁴³ This is to ensure that the Veteran: 1) has the ability to complete and be successful in his or her Individual Vocational Rehabilitation Plan, and 2) has the want and desire to successfully complete the Individual Vocational Rehabilitation Plan, leading him or her to a successful transition to civilian life. This is extremely important in order to enable Veterans to find a meaningful occupation that is of interest to them.

The importance of a Veteran’s ability to fulfill his or her potential was stated in the Senate Subcommittee on Veterans Affairs’ interim report, entitled *A Study of the New Veterans Charter*. The Subcommittee concluded that in order for a Veteran and his or her family to enjoy a normal quality of life after a career-ending injury, four aspects of quality of life must be addressed: “... the veteran’s health, income, the opportunity to fulfill one’s potential and the veteran’s position in society.”⁴⁴ If a Veteran is unable to achieve these aspects, there could be difficulties in the Veteran successfully transitioning from military to civilian life.

Additionally, Veterans Affairs Canada must also consider “that the services provided be focused on building the applicant’s education, skills, training and experience.”⁴⁵ This principle is important in determining whether a Veteran’s desires are both realistic and attainable and allow for a successful transition from military to civilian life. However, there is concern that the Department focuses too much on Veterans’ existing skills and not enough on the realistic attainment of new skills and higher education. Given the sometimes differing and special skill sets needed in the Canadian Forces as compared to the civilian world, it is important to understand that different skill sets may be necessary once Veterans leave the Canadian Forces if they wish to successfully transition to civilian employment. Therefore, it is important that Veterans Affairs Canada take this into consideration when reviewing a Veteran’s proposed Individual Vocational Rehabilitation Plan.

43 *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations (SOR/2006-50)*, sec. 9(d).

44 Senate Subcommittee on Veterans Affairs. *A Study of the New Veterans Charter: Interim Report* (2013). p. 4–5.

45 *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations (SOR/2006-50)*. sec. 8(d).

CONCLUSION AND RECOMMENDATIONS

Canada's commitment to Veterans and their families by providing vocational rehabilitation and assistance to them stretches back to the re-establishment of Canada's Armed Forces after the Second World War. While the eligibility and the type of training offered are much different today, the purpose remains the same, that is, to ensure that those who offered their service to Canada have the opportunity to work and make a living in civilian life after their service ends despite the injuries or illnesses they may have incurred during their service.

This report reviewed aspects of the Department's vocational rehabilitation and assistance services as offered under the Rehabilitation Program to ensure that these program elements are regulated and administered in a fair manner.

First, there is inadequate performance measurement to monitor the subject matter and level of training applicants are receiving, as well as the tracking of applicants employed following the completion of their Individual Vocational Rehabilitation Plan.

Second, the low number of Veterans enrolled in and completing university-level post-secondary education may point to barriers to accessibility, such as emphasis on factors including cost and duration of such training in the development of individual vocational rehabilitation plans.

Third, there is a limitation to training that builds on an applicant's existing skills, experience and training, and less of an emphasis on the motivation, interest and aptitudes of the applicant.

By allowing Veterans the ability to self-actualize in the profession of their choice, regardless of what level of post-secondary education it requires, there can be significant benefits to both the Government of Canada and to the Veterans and their families.

This is why the Veterans Ombudsman makes the following recommendations for consideration by the Minister of Veterans Affairs:

RECOMMENDATION 1: It is recommended that the Department of Veterans Affairs develop appropriate program measurements to effectively monitor Veterans' progression and success in completing their individual vocational rehabilitation plans, including subsequent employment.

RECOMMENDATION 2: It is recommended that the Minister of Veterans Affairs amend the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* to ensure that all costs associated with post-secondary education are paid.

RECOMMENDATION 3: It is recommended that the Department of Veterans Affairs amend its policies relating to vocational rehabilitation and assistance to ensure that the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* are liberally interpreted with regard to the cost and duration of an Individual Vocational Rehabilitation Plan.

RECOMMENDATION 4: It is recommended that the Department of Veterans Affairs amend its policies relating to vocational rehabilitation and assistance to ensure that the *Canadian Forces Members and Veterans Re-establishment and Compensation Regulations* are liberally interpreted to allow more flexibility for Veterans to acquire new skills and higher education while also taking into consideration the Veteran's aptitude and motivation in the development of an Individual Vocational Rehabilitation Plan.

ANNEXES

Annex A – Non-Medical Services Offered to Second World War Veterans Re-establishing to Civilian Life

Services Available Upon Discharge	Clothing Allowance – \$100 to purchase civilian clothing
	Rehabilitation Grant
	Job Placement through the National Employment Service
	Job Reinstatement through the <i>Reinstatement in Civil Employment Act</i>
War Service Grants Act	Basic Gratuity – \$7.50 for every 30 days of service in the Western Hemisphere – \$15 for every 30-day period overseas
	Reestablishment Credit – for those not participating in educational vocational or technical training or benefits under the <i>Veterans' Land Act</i> – \$7.50 for every 30 days of service in the Western Hemisphere – \$15 for every 30-day period overseas
Veterans Rehabilitation Act	Temporary Incapacitation Allowance – \$50–\$70 per month
	Out-of-Work Allowance – \$50–\$70 per month
	Awaiting Returns Allowance – \$50–\$70 per month
	Training Allowances – \$60–\$80
	Vocational Training
	University Training
Veterans' Land Act	Full-time Farming – \$6,000 maximum
	Small Holding (with commercial or other employment) – \$6,000
	Small Holding (with commercial fishing) – \$6,000
	Farming loans
Civil Service Act	Civil Service of Canada preferential appointments to Veterans
National Housing Act	Loans for Veterans to buy homes

Annex B – Number of Clients Enrolled by Year

Year	CanVet	Interim Providers
2007–2008	0	N/A
2008–2009	0	460*
2009–2010	616	296
2010–2011	1,089	112
2011–2012	1,286 ⁴⁶	41

*As of April 30, 2009.

Annex C – Average Cost by Category of Reimbursement

Category	2010–2011	2011–2012
	<i>Average Cost per Client</i>	
Tuition	\$4,318.56	\$4,264.76
Books	\$533.84	\$603.20
Supplies	\$162.70	\$171.08
Internet fees	\$116.59	\$128.95
Other costs	\$222.97	\$290.66
Basic safety	\$156.28	\$229.48
Tutor	\$267.00	\$229.53
Transportation for school	\$645.97	\$640.66
Cost of disabled parking spot	\$461.85	\$306.66
Temporary accommodations	\$2,496.49	\$2,060.03
Return transportation for temporary accommodation	\$212.23	\$321.52
Dependant care (training)	\$1,374.08	\$1,683.66
Other expenses	\$0.00	\$12.50

46 The number 1,286 represents the clients who had an active vocational rehabilitation file with CanVet. This number does not represent the number of clients enrolled in educational institutions. This information is represented in Annex D.

Annex D – Training: Type, Duration and Number of Clients (2010–2011)

Type of Training	Number of Clients ⁴⁷	Duration (in months)
High school	12	23
Short-term courses	28	12
Certification/License	70	13
Apprenticeship	9	16
College	104	26
University	26	27
Skills training	25	12
Other	23	11

Annex E – Training: Type, Duration and Number of Clients (2011–2012)

Type of Training	Number of Clients	Duration (in months)
High school	21	19
Short-term courses	46	12
Certification/License	129	12
Apprenticeship	14	20
College	150	24
University	32	28
Skills training	41	10
Other	32	15

Annex F – Clients Employed after Completion of Vocational Training⁴⁸

Year	Number of Clients	Percentage
2010–2011	12	48%
2011–2012	76	67%

⁴⁷ The column “Number of Clients” represents clients who are attending an educational institution.

⁴⁸ This data is based on information CanVet has at the time of file closure. CanVet usually has provisions in the individual Vocational Rehabilitation Plan for a three-month job search period following job readiness activities (usually training in preparation for employment). Some participants are employable following job readiness activities but may not be working at file closure. If work is obtained in subsequent month(s), CanVet cannot capture this data in the Closure Reports.

