



National  
Defence

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**DEPARTMENT OF NATIONAL DEFENCE**

**DEPARTMENTAL**

**PERFORMANCE REPORT**

**2011-12**

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*Part III - Estimates*





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# MINISTER'S MESSAGE



It is my pleasure to report on the achievements of the Department of National Defence and the Canadian Forces (DND/CF) for 2011-12.

Defending Canada and Canadians is the number one priority of DND/CF. On any given day, Canadian Forces personnel stand ready to conduct operations in Canada to defend and protect Canadians. This includes monitoring Canada's territory, as well as air and maritime approaches, supporting civil authorities in responding to natural disasters, and conducting search and rescue missions. In 2011-12, the CF continued to protect our vast nation, conducted domestic operations across the country, and exercised Canada's sovereignty in the North. Activities such as Operation NANOOK demonstrate the CF's increased capability to operate in the high Arctic, with boots on the ground, vessels in the water and aircraft in the sky. During NANOOK, CF personnel and their civilian counterparts were quickly diverted from training when First Air flight 6560 crashed in nearby Resolute Bay. CF personnel were among those first on the scene, extinguishing fires alongside Resolute Airport firefighters, and searching for and providing aid to the passengers and crew of the downed plane.

We have also supported civil authorities and helped Canadians in distress by responding to natural disasters such as floods in Manitoba and Quebec, and fires in Saskatchewan and Northern Ontario. The Canadian Forces, alongside our Canadian Coast guard partners, tracked thousands of incidents, sending military aircraft, ships and their crew when required to those in need. Through their heroic efforts our specially trained search and rescue teams saved the lives of hundreds of Canadians.

On the wider continent, Canada worked together with the United States, our closest ally and defence partner, in the defence of North America. We continued to cooperate with the United States through the North American Aerospace Defence Command (NORAD), conducted combined exercises and training to ensure continued interoperability of our forces, and engaged in high-level meetings and staff talks that enabled us to explore potential new areas of cooperation, such as through the Permanent Joint Board on Defence. In 2011, Canada hosted the first trilateral meeting of North American Defence Ministers with the U.S. and Mexico, where topics ranging from humanitarian assistance to trilateral cooperation were discussed. This meeting was not only an historical occasion but a significant step in strengthening Canada's domestic security through increased defence and security cooperation between our countries. Under Operation CARIBBE, Royal Canadian Navy vessels and Royal Canadian Air Force maritime patrol aircraft were regularly deployed to the Western Caribbean and Eastern Pacific, demonstrating Canada's ability to provide crucial support to interdict drug trafficking alongside our U.S. and multinational allies. Another reflection of Canada's continued commitment to assisting regional partners was Op JAGUAR, where the CF flew life-saving missions such as search and rescue and medical evacuation in support of Jamaica Defence Force operations.

Abroad, DND/CF continued to contribute to international peace and security. Over the year, the CF was active in Afghanistan, Libya, and over 10 other locations across the globe. We undertook the significant task of repairing, packaging, shipping or disposing of our equipment and materials to close out our combat operations in Afghanistan and transition to a non-combat NATO training mission there. Training the Afghan National Security Forces assists Afghans in assuming responsibility for their own security – a

key component to ensuring stability in the region. The CF also demonstrated a high level of readiness to deploy elsewhere around the world and conduct a range of operations including playing a lead role in NATO operations in Libya. The rapid and effective deployment of the CF in support of the NATO-led effort to impose a UN-authorized arms embargo and no-fly zone in Libya exemplified Canada's leadership role in the global security environment. In addition, the overall NATO mission was commanded by a Canadian, Lieutenant-General Charles Bouchard. The CF not only safely evacuated Canadians and foreign nationals but were a key player in NATO's success, flying some 1500 military missions and hailing some 478 vessels. 2011 also saw the re-deployment of HMCS *Charlottetown* to participate in maritime security and counter-terrorism operations in the Mediterranean Sea.

But the CF can only do their important work with the support of a dedicated Defence team at home. National Defence recognizes the enormous sacrifices made by our armed forces and has continued to improve the care offered to CF personnel, veterans, and their families. At the same time, we have continued to recruit and train Canada's brightest individuals to the CF and civilian workforce.

The CF would not be able to undertake their important missions without the right tools and equipment. DND/CF made demonstrable progress in advancing the modernization of equipment, including upgrades to the Light Armoured Vehicle, delivery of new Hercules tactical lift aircraft, and modernization of the navy's frigates, as well as the National Shipbuilding Procurement Strategy, a multi-department initiative which is responsible for building, in part, Canada's future warships. This transparent procurement process is great news for Canadian industry and workers as it represents the largest procurement sourcing arrangement in Canadian history.

While modernizing the CF and its capabilities, National Defence has emphasized the responsible management of resources. In this era of fiscal restraint, DND/CF have worked hard to contribute to the Government's deficit reduction efforts while remaining a responsive, agile and flexible military, capable of meeting the needs of Canadians and addressing the challenges of the 21<sup>st</sup> century. DND continued to review its business processes, effecting several fundamental changes to modernize the Department's procurement process and supply chain.

By any considered weight or measure Canada's Defence Team is amongst the best in the world. It is an honour to serve as Minister of National Defence and present the achievements of this great Canadian institution to Parliament and Canadians.

*Original signed by:*

The Honourable Peter MacKay, P.C., M.P.  
Minister of National Defence

# SECTION I: ORGANIZATIONAL OVERVIEW



## Raison d'être

On behalf of the people of Canada, the Canadian Forces (CF) and the Department of National Defence (DND) stand ready to perform three key roles:

- ✿ Defend Canada – by delivering excellence at home;
- ✿ Defend North America – by being a strong and reliable partner with the United States in the defence of the continent; and
- ✿ Contribute to International Peace and Security – by projecting leadership abroad.

The *National Defence Act*<sup>1</sup> establishes DND and the CF as separate entities, operating within an integrated National Defence Headquarters, as they pursue their primary responsibility of providing defence for Canada and Canadians.

Defence<sup>2</sup> continued to adapt to an evolving international security environment that remained volatile and complex, characterized by a wide array of challenges and threats, both asymmetrical and traditional. In addition to the global financial situation, these factors will continue to occupy the international agenda and challenge Canada's security and prosperity.

## Responsibilities

The Defence Team's core responsibility remains success in operations while ensuring affordability of the Defence program, preparing for future operational challenges and caring for our military members and their families. In 2011-12, Defence once again showed itself as a first-class, multi-purpose, combat-effective military with the ability to protect and excel at home, while remaining a strong and reliable defence partner in North America, and making a meaningful contribution to security abroad.

The following recurring themes and challenges are highlighted within the report and outline the focus areas of our activities during the 2011-12 reporting period:

- ✿ Transitioned to a non-combat role in Afghanistan as part of the Government of Canada's commitment to the North Atlantic Treaty Organization (NATO) Training Mission Afghanistan (NTM-A). As the second largest contributor nation, we continued to advance security, promote the rule of law and human rights, and support the delivery of humanitarian assistance to the Afghan people;
- ✿ Continued to deliver on our Defence Priorities, as outlined in the *Canada First Defence Strategy*, in support of the Government of Canada's national and international priorities; and
- ✿ Successfully carried out the defence mission while working to ensure that the Department's resources were deftly managed, in an open and transparent manner, given the current global financial situation.

In 2011-12, the international security environment remained dangerous and unpredictable, characterized by diverse threats and challenges, including terrorism, proliferation of weapons of mass destruction and conventional weapons, insurgencies and cyber attacks, piracy, the enduring threat of regional conflicts, and popular uprisings for democratic reform. These issues faced Canada, the Defence Team and the global community during a fiscally challenging time for the world economy.

## Strategic Outcomes and Program Activity Architecture

Within Treasury Board's *Policy on Management, Resources and Results Structures*<sup>3</sup> (MRRS) for planning, management and reporting, the *Program Activity Architecture*<sup>4</sup> (PAA) establishes Defence's four Strategic Outcomes.

Each Strategic Outcome is supported by a group of program activities, which, in turn, are aligned to relevant Defence Priorities, Corporate Risks, and a Government of Canada Outcome Area. For further information, please refer to *Section IV: Other Items of Interest*<sup>5</sup> – *Departmental Link to Government of Canada Outcome Areas*.

Department of National Defence Program Activity Architecture	
Strategic Outcomes	Program Activities
<i>(Click title to go directly to Outcome or Activity)</i>	
Defence operations improve peace, stability and security wherever deployed	International Peace, Stability and Security
	Situational Awareness
	Canadian Peace, Stability and Security
	Continental Peace, Stability and Security
National Defence is ready to meet Government Defence Expectations	Land Readiness
	Joint and Common Readiness
	Maritime Readiness
	Aerospace Readiness
Resources are acquired to meet Government Defence Expectations	Equipment Acquisition and Disposal
	Recruiting of Personnel and Initial Training
	Real Property and Informatics Infrastructure Acquisition and Disposal
	Defence Science and Technology
Care and Support to the Canadian Forces and Contribution to Canadian Society	Defence Team Personnel Support
	Canadian Identity
	Environment Protection and Stewardship
	Non-Security Support
Internal Services	

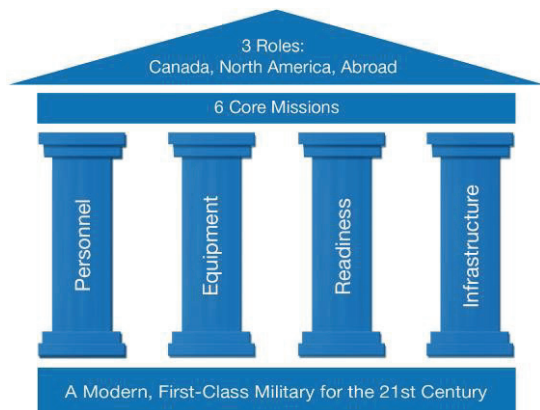
For a full illustration of the Defence PAA, please refer to *Section IV: Other Items of Interest*<sup>6</sup> – *Defence Program Activity Architecture*. For descriptions of Defence Strategic Outcomes and associated Program Activities, please refer to *Section II: Analysis of Program Activities by Strategic Outcome*.



## The Canada First Defence Strategy

To help Defence carry out its roles and responsibilities, the Canada First Defence Strategy<sup>7</sup> (CFDS), released in May 2008, outlines what is required to ensure a first-class, modern military that is well-trained, well-equipped and ready to take on the challenges of the 21st century.

To accomplish this, the CFDS provides a 20-year roadmap, which is periodically reviewed, to modernize the CF with stable and predictable funding that permits long-term planning and investment in four Defence capability areas or pillars:



- ✦ Personnel: In accordance with Budget 2012, the CF Regular and Reserve Force Strength will be maintained at 68,000 and 27,000 respectively to preserve the balance across the four pillars of CFDS;
- ✦ Equipment: Renew the CF's core equipment platforms;
- ✦ Readiness: Maximize personnel training and equipment availability; and
- ✦ Infrastructure: Replace or refurbish approximately 25 per cent of DND infrastructure holdings within 10 years, with approximately 50 per cent being replaced or refurbished over 20 years to meet Canada's future defence and security requirements.

The CFDS articulates the broad strategic vision for Defence aligned with the level of ambition identified by the Government of Canada and outlines six core CF missions in domestic, continental and international contexts:

- ✦ Conduct daily domestic and continental operations, including in the Arctic and through the North American Aerospace Defense Command (NORAD);
- ✦ Support a major international event in Canada such as the G8, G20 and North American Leaders' Summits;
- ✦ Respond to a major terrorist attack;
- ✦ Support civilian authorities during a crisis in Canada such as a natural disaster;
- ✦ Lead and/or conduct a major international operation for an extended period; and
- ✦ Deploy forces in response to crises elsewhere in the world for shorter periods.

## Risk Analysis

A core facet of Defence planning and conduct of operations is the identification and mitigation of risk. The challenging transition of the mission in Afghanistan and other foreign missions, along with the substantial domestic commitments in the Arctic, continued to test the Department's capacity. Defence's exemplary achievement of these tasks underscored the Department's flexibility and determination to succeed in the face of limited operational resources.

Considerable effort has been expended to develop and document the plans and measures to mitigate the key challenges that impact Defence's ability to fulfill its core responsibilities. The following three areas of risk, which were also highlighted in the *2011-14 Defence Priorities*, reflect the critical areas of focus for Defence during 2011-12:

Key Corporate Risks	
Risk	Action
Canadian Forces Reconstitution	Plans were executed to end the combat mission in Afghanistan in 2011, including the Government of Canada's commitment to train the Afghan National Army after the end of the combat mission, and to manage and maintain CF readiness post-2011.
Defence Team Capacity	Priority is being placed on achieving the right balance and composition of the Defence workforce, with a strong focus on ensuring the framework is in place to effectively manage personnel.
Investment Plan Flexibility	Efforts continue to ensure there is sufficient flexibility in the Investment Plan to respond to emerging operational requirements and CF capability requirements of the future, as outlined in the CFDS.

Source: Vice-Chief of the Defence Staff Group

In FY 2011-12, Defence continued to develop and implement a strong risk management framework that is being aligned with departmental resource planning and business management processes. Coupled with performance measurement, the concepts of risk and opportunity are being embedded as key inputs to senior leadership decision making.

## Organizational Priorities

The organizational priorities for the Department of National Defence and the Canadian Forces were reported as *Defence Priorities* in the *Report on Plans and Priorities (RPP) 2011-12*. Informed by key corporate risks, these organizational priorities represent focus areas where Defence directed efforts and resources. Doing so enabled Defence to mitigate risks, address gaps in capability or capacity, support the activities essential to achieve excellence in operations and management, and effectively act on Government of Canada direction.

Detailed performance information in Section II of this report, measures the progress achieved for each strategic outcome and associated program activity. This facilitates a meaningful assessment of Defence's efforts to address organizational priorities during the 2011-12 fiscal year.

### Summary of Progress Against Priorities

Priority	Type <sup>1</sup>	Strategic Outcomes
Ensuring Sustainable Operational Excellence both at Home and Abroad	New	<ul style="list-style-type: none"> <li>National Defence is ready to meet Government Defence Expectations</li> <li>Defence operations improve peace, stability and security wherever deployed</li> </ul>
<ul style="list-style-type: none"> <li>Abroad, Defence continued to make a significant contribution to security in Afghanistan. In October 2011, stand up of the new training mission in Kabul was completed.</li> <li>FY 2011-12 also saw the re-deployment of HMCS <i>Charlottetown</i> to participate in maritime security and counter-terrorism</li> </ul>		

<sup>1</sup> Type is defined as follows: “**previously committed to**”—committed to in the first or second fiscal year before the subject year of the report; “**ongoing**”—committed to at least three fiscal years before the subject year of the report; and “**new**”—newly committed to in the reporting year of the RPP or DPR.

Priority	Type <sup>1</sup>	Strategic Outcomes
<p>operations in the Mediterranean Sea as part of NATO's Operation ACTIVE ENDEAVOUR.</p> <ul style="list-style-type: none"> <li>In West Africa, the Defence played an important role in deterring illegal smuggling of human beings.</li> <li>Reflecting Canada's continued commitment to assisting regional partners, under Operation JAGUAR, the CF flew life-saving missions such as search and rescue and medical evacuation in support of Jamaica Defence Force operations.</li> <li>Defence successfully conducted a range of missions at home in the defence of Canada and Canadians in collaboration with our whole-of-government and international partners.</li> <li>Defence helped those affected by flooding in Quebec and Manitoba, and was quick to assist with emergency evacuations when forest fires threatened Canadians in Saskatchewan and Ontario.</li> <li>Through NORAD, Defence successfully monitored Canadian airspace and approaches, and routinely exercised Operation NOBLE EAGLE, to practice dealing with an air security issue within Canadian airspace.</li> </ul>		
Reconstituting and Aligning the CF Post-Afghanistan	New	<ul style="list-style-type: none"> <li>Resources are acquired to meet Government Defence Expectations</li> <li>National Defence is ready to meet Government Defence Expectations</li> <li>Defence operations improve peace, stability and security wherever deployed</li> </ul>
<ul style="list-style-type: none"> <li>Critical timelines for reconstitution have been met during FY 2011-12: <ul style="list-style-type: none"> <li>Defence successfully transitioned out of the combat mission in Kandahar into the new training mission in support of NATO Training Mission Afghanistan. Concurrently the Mission Transition Task Force completed its highly successful close out mission in Kandahar in December 2011;</li> <li>The reconstitution plan developed in order to meet readiness levels required by the CFDS and has now gone into the implementation phase; and</li> <li>The CF Force Posture and Readiness 2012 Directive was released in December 2011. This Directive specifically addresses readiness requirements for the CF in a rolling three year time span and acts as the initial step in the development of a broader CF Force Posture and Readiness System.</li> </ul> </li> </ul>		
Maintaining Defence Affordability	New	<ul style="list-style-type: none"> <li>Resources are acquired to meet Government Defence Expectations</li> <li>National Defence is ready to meet Government Defence Expectations</li> <li>Care and Support to the Canadian Forces and Contribution to Canadian Society</li> </ul>
<ul style="list-style-type: none"> <li>The National Shipbuilding Procurement Strategy (NSPS) represents an important step in the Canadian government's commitment to rebuild the Royal Canadian Navy. The NSPS shipyard selection was completed in FY 2011-12 with an umbrella agreement negotiated with lead projects assigned to selected shipyards.</li> <li>Defence implemented a number of initiatives this past fiscal year which will significantly enhance the controls upon which the reliability of information is premised. Examples include: The National Stocktaking Initiative, Implementing Auditable Financial Statements/<i>Policy on Internal Controls</i> and The Supply Chain integration project.</li> <li>The DND Critical Technology List was developed and provided to Industry Canada which they implemented as part of their Industrial and Regional Benefits (IRB) Program. This list has been provided to industry for potential investment under the IRB Program.</li> </ul>		
Strengthening the Defence Team	Previously committed to	<ul style="list-style-type: none"> <li>Resources are acquired to meet Government Defence Expectations</li> <li>National Defence is ready to meet Government Defence Expectations</li> <li>Care and Support to the Canadian Forces and Contribution to Canadian Society</li> </ul>
<ul style="list-style-type: none"> <li>Defence advanced several initiatives to nurture an experienced, balanced and effective team in order to enhance the achievement of departmental outcomes: <ul style="list-style-type: none"> <li>Defence completed phase 1 of the Defence Learning Network expansion;</li> <li>Successful recruiting and component transfers from the Primary Reserve into the Regular Force, combined with continued historically low attrition, resulted in most distressed, or "red", occupations achieving their recruiting targets. Overall there was a 52% decrease in the number of distressed occupations; and</li> </ul> </li> </ul>		

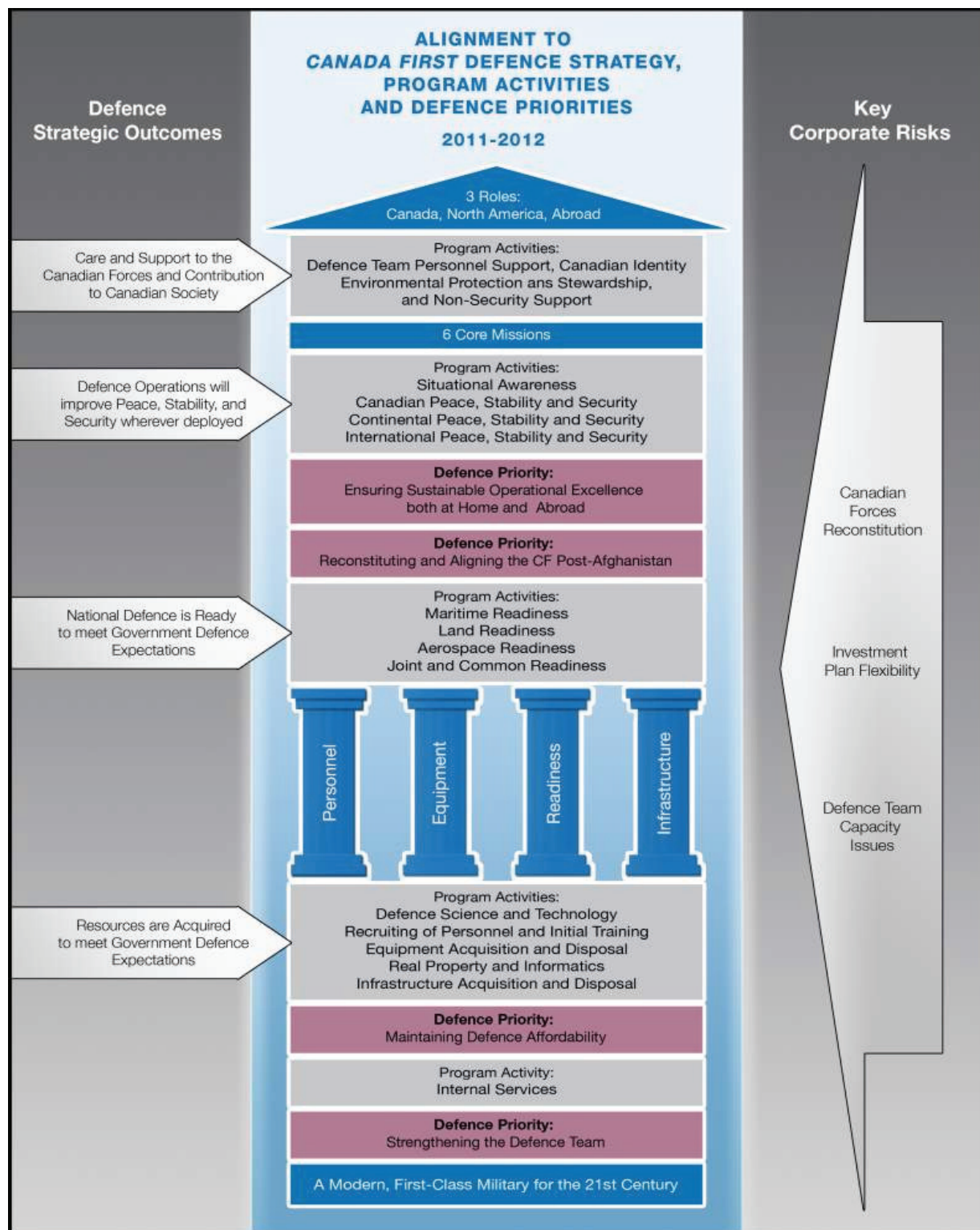
Priority	Type <sup>1</sup>	Strategic Outcomes
<ul style="list-style-type: none"> <li>▪ The CF strategy, <i>"Caring for Our Own: A comprehensive approach for the care of CF ill and injured members and their families"</i> was published in FY 2011-12 and provides a framework that integrates programs, services and benefits available to its ill and injured and their families in one document.</li> </ul>		

Source: Vice-Chief of the Defence Staff Group



## **Defence Planning and Performance Reporting Framework**

The following diagram illustrates the alignment of Defence's PAA, Key Corporate Risks and Priorities to the CFDS. This framework forms the basis for communicating Defence's performance story throughout this report.



Source: Vice-Chief of the Defence Staff Group

## Summary of Performance

*Protecting Canadians at Home*

Keeping in line with the roles outlined in the *Canada First Defence Strategy*, in FY 2011-12, the Canadian Forces (CF) successfully conducted a range of missions at home and abroad in the defence of Canada and Canadians, in collaboration with our whole-of-government and international partners. The CF helped keep Canadians safe at home, lending a helping hand to those affected by flooding in Quebec and Manitoba, and were quick to assist with emergency evacuations when forest fires threatened Canadians in Saskatchewan and Ontario. As Canada has one of the most effective search and rescue systems in the world, the CF, through their specially trained search and rescue crews, was also there when needed to directly assist more than 1,000 individuals in life-threatening situations.

#### *Continued Operational Success*

Abroad, the CF continued to make a significant contribution to security in Afghanistan. In October 2011, Canada completed the stand up of the new training mission in Kabul, supporting Afghan National Security Forces training through a contribution of up to 950 CF personnel – the second largest contribution to this NATO training mission after the United States (U.S.). The CF also demonstrated a high level of readiness to deploy elsewhere around the world and conduct a range of operations at the request of the Government of Canada as evidenced by our participation in the NATO-led response to the crisis in Libya. Within days of the Government deciding to evacuate Canadian citizens, the CF had aircraft on the ground, safely evacuating 61 Canadians and 130 other foreign nationals. In addition, the overall NATO mission was commanded by a Canadian, Lieutenant-General Charles Bouchard. CF personnel helped enforce UN Security Council Resolutions which established an arms embargo and no-fly zone to protect civilians and civilian-populated areas. The CF was instrumental in NATO's success, flying approximately 1500 military missions and hailing some 478 vessels at sea.

Furthering Canada's role as a credible ally, 2011 also saw the re-deployment of HMCS *Charlottetown* to participate in maritime security and counter-terrorism operations in the Mediterranean Sea as part of NATO's Operation ACTIVE ENDEAVOUR. In West Africa, the CF played an important role in deterring illegal smuggling of human beings. Reflecting Canada's continued commitment to assisting regional partners, under Operation JAGUAR the CF flew life-saving missions such as search and rescue and medical evacuation in support of Jamaica Defence Force operations.

#### *Ongoing Re-orientation and Transition*

In July 2011, consistent with the parliamentary motion of 2008, Canada ended its combat mission in Afghanistan. From July to December 2011, Mission Transition Task Force personnel undertook the significant task of repairing, packaging, shipping or disposing of all of our equipment and materials to close out the mission in Kandahar. Furthermore, the team ensured that over 250 Canadian structures and sites at Kandahar airfield were either dismantled or transferred to other users in safe and usable condition. This close out of the combat mission is considered one of the largest logistical undertakings in the history of the Canadian Forces. While in progress at the time of reporting, close out activities were on schedule and under budget.

#### *Delivering Essential Equipment*

Even during a high operational tempo and a period of fiscal constraint, Defence has continued the modernization of the CF by advancing numerous key projects while seeking new efficiencies and benefits for Canadian industry. In October 2011, an announcement was made awarding a \$1.064B contract to General Dynamics Land Systems of London, Ontario for the Light Armoured Vehicle III upgrade. This project will help to sustain an estimated 2200 jobs in the local economy. In January 2012, DND, along with other departments, announced the National Shipbuilding Procurement Strategy (NSPS), the result of extensive consultations with industry and government personnel. It represents the largest procurement sourcing arrangement in Canadian history and it is estimated it will provide thousands of

high-value jobs to Canadians over the next 20 to 30 years. The NSPS represents an important step in the Canadian Government's commitment to rebuild the Royal Canadian Navy and the Canadian Coast Guard fleets. In addition, the CF received the majority of the 17 new Hercules tactical lift aircraft on schedule in 2011-12. Finally, the Halifax Class Modernization/Frigate Life Extension (HCM/FELEX) project was in its implementation phase in 2011-12, with three ships in mid-life refit as of the end of year. The project is currently within budget and on schedule to achieve full operational capability by January 2018.

### *Sound Fiscal Management*

DND continued to perform strongly in managing its budget - considered the largest capital and operating budget in Federal government, with 19% of government direct program spending. As part of the government-wide spending review, DND is increasing the efficiency and effectiveness of its programs and operations ensuring value for money for Canadians. In 2011-12, DND's residual/unplanned lapse was only \$36.3 million, or 0.2% of its revised spending authorities. This amount is well within DND's residual lapses over the past 8 years which have averaged 1.1%.

From its 2011-12 reported Public Accounts lapse of \$1,499.4 million, DND was able, through the use of available fiscal management mechanisms, to re-profile and carry forward to future years \$1,348.3 million in spending authorities to support approved initiatives and projects. Finally, exercising responsible and transparent financial management, DND returned \$76 million in unspent funds allocated to support Canada's international security operations in Afghanistan.

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
<b>21,299,079</b>	<b>21,718,125</b>	<b>20,218,758</b>

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

### 2011-12 Human Resources (Full-Time Equivalents – FTEs)

	Planned	Actual	Difference <sup>3</sup>
<b>Military</b>	68,791	68,760	(31)
<b>Civilian<sup>1</sup></b>	26,567 <sup>2</sup>	26,752	175
<b>TOTAL</b>	<b>95,358</b>	<b>95,512</b>	<b>144</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

Notes:

1. Communication Security Establishment Canada (CSEC) human resources (HR) figures are no longer included in the DND/CF HR figures.
2. In the *2011-12 Report on Plans and Priorities*, Defence planned 26,490 FTEs for Departmental civilians. To provide an accurate comparison between planned and actual figures, the planned figure has been modified to include FTEs for the following organizations that report directly to the Minister of National Defence:
  - 54 FTEs for National Search and Rescue Secretariat
  - 23 FTEs for the National Defence and Canadian Forces Ombudsman
3. The Difference indicates variance between Planned and Actual figures; this is not an indication of growth or reduction. To determine growth or reduction, a comparison between Actuals is required. For example, a comparison of the Actuals between the Departmental Performance Report (DPR) 2010-11 and the current DPR indicate a reduction of 80 civilian FTEs.



## Summary of Performance Tables

### Progress Toward Strategic Outcome

Strategic Outcome: National Defence is ready to meet Government Defence Expectations		
Performance Indicator	Target	2011-12 Performance
% Readiness level for Land, Joint and Common, Maritime, and Aerospace combined	98-100% <sup>1</sup>	87.6% <sup>2</sup>

Notes:

1. Represents an aggregate of the individual targets for Land, Joint and Common, Maritime and Aerospace readiness plans.
2. For details, please refer to Section II, *Strategic Outcome: National Defence is ready to meet Government Defence Expectations*.

### Performance Summary

Program Activity	2010-11 Actual Spending	2011-12 (\$ millions)				Alignment to Government of Canada Outcome
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Land Readiness	3,350,735	3,630,264	3,630,264	3,786,438	3,626,299	A safe and secure world through international engagement <sup>8</sup>
Joint and Common Readiness	2,187,920	2,237,251	2,237,251	2,324,943	2,337,399	A safe and secure world through international engagement
Maritime Readiness	2,164,323	2,188,533	2,188,533	2,289,716	2,297,720	A safe and secure world through international engagement
Aerospace Readiness	1,781,696	1,883,626	1,883,626	1,975,943	1,908,491	A safe and secure world through international engagement
<b>Total</b>	<b>9,484,674</b>	<b>9,939,674</b>	<b>9,939,674</b>	<b>10,377,040</b>	<b>10,169,909</b>	

Sources: Vice-Chief of the Defence Staff Group / Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Due to rounding, figures may not add up to total shown

## Progress Toward Strategic Outcome

Strategic Outcome: Resources are acquired to meet Government Defence Expectations		
Performance Indicator	Target	2011-12 Performance
Performance against CFDS as measured by Investment Plan and Business Plans	95-100%	93%

## Performance Summary

Program Activity	2010-11 Actual Spending	2011-12 (\$ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Equipment Acquisition and Disposal <sup>1</sup>	2,779,775	3,498,227	3,498,227	3,209,570	2,381,604	A safe and secure world through international engagement
Recruiting of Personnel and Initial Training <sup>2</sup>	1,117,863	1,416,719	1,416,719	1,477,903	1,071,324	A safe and secure world through international engagement
Real Property and Informatics Infrastructure Acquisition and Disposal <sup>3</sup>	414,945	665,501	665,501	652,319	481,572	Strong economic growth <sup>9</sup>
Defence Science and Technology	384,947	327,069	327,069	333,652	399,825	An innovative and knowledge-based economy <sup>10</sup>
<b>Total</b>	<b>4,697,531</b>	<b>5,907,516</b>	<b>5,907,517</b>	<b>5,673,443</b>	<b>4,334,325</b>	

Sources: Vice-Chief of the Defence Staff Group / Assistant Deputy Minister (Finance and Corporate Services) Group

Notes: Due to rounding, figures may not add up to total shown

1. The variance between actual spending and total authorities is primarily related to adjustments in the spending profile of major capital equipment projects to align financial resources with project acquisition timelines. Approved program funding slippage was reprofiled to future years to support approved projects and programs.
2. The variance between actual spending and total authorities is primarily due to: (1) a decrease in the number of Regular Force Personnel attributed to Recruiting of Personnel and Initial training, and, (2) an increase in planned spending related to the *Canada First* Defence Strategy.
3. The variance between actual spending and total authorities is primarily related to adjustments to the spending profile of major infrastructure projects to align financial resources with project acquisition timelines. Most of the year end variance will be reprofiled to future years to support approved infrastructure projects.

## Progress Toward Strategic Outcome

Strategic Outcome: Defence operations improve peace, stability and security wherever deployed		
Performance Indicator	Target	2011-12 Performance
% Effects Achieved (aggregate for all commands)	80-100%	93%

## Performance Summary

Program Activity	2010-11 Actual Spending	2011-12 (\$ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
International Peace, Stability and Security <sup>1</sup>	2,312,846	2,027,838	2,027,838	2,222,147	1,980,673	A safe and secure world through international engagement
Situational Awareness	775,516	637,363	638,303	517,796	599,459	A safe and secure world through international engagement
Canadian Peace, Stability and Security	318,492	282,628	282,628	299,260	336,917	A safe and secure Canada <sup>11</sup>
Continental Peace, Stability and Security	190,987	197,907	197,907	210,619	202,580	A strong and mutually beneficial North American partnership <sup>12</sup>
<b>Total</b>	<b>3,597,841</b>	<b>3,145,736</b>	<b>3,146,676</b>	<b>3,249,823</b>	<b>3,119,629</b>	

Sources: Vice-Chief of the Defence Staff Group / Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Due to rounding, figures may not add up to total shown

1. The variance between actual spending and total authorities is mainly related to delays in the return of material from the termination of Canada's combat mission in Afghanistan and lower than forecasted expenditures in the new training mission.

## Progress Toward Strategic Outcome

Strategic Outcome: Care and Support to the Canadian Forces and Contribution to Canadian Society		
Performance Indicator	Target	2011-12 Performance
% Public support for the Canadian Forces	85-100%	87%

## Performance Summary

Program Activity	2010-11 Actual Spending	2011-12 (\$ millions)				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
Defence Team Personnel Support <sup>1</sup>	906,016	760,708	762,395	808,006	1,002,923	A safe and secure world through international engagement
Canadian Identity	353,602	354,351	354,351	372,111	369,853	A vibrant Canadian culture and heritage <sup>13</sup>
Environment Protection and Stewardship	122,478	134,365	134,365	196,577	126,246	A clean and healthy environment <sup>14</sup>
Non-Security Support	6,479	7,165	7,165	8,324	17,317	A transparent, accountable and responsive federal government <sup>15</sup>
<b>Total</b>	<b>1,388,575</b>	<b>1,256,589</b>	<b>1,258,275</b>	<b>1,385,018</b>	<b>1,516,338</b>	

Sources: Vice-Chief of the Defence Staff Group / Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Due to rounding, figures may not add up to total shown

1. The variance between actual spending and total authorities is primarily due to an increase in the number of Regular Force Personnel pay amount attributed to Defence Team Personnel Support program activity and does not reflect an increase in the number of Regular Force personnel assigned to the program activity.

## Performance Summary for Internal Services

Program Activity	2010-11 Actual Spending	2011-12 (\$ millions)			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	1,129,637	1,043,815	1,046,937	1,032,800	1,078,558

Sources: Vice-Chief of the Defence Staff Group / Assistant Deputy Minister (Finance and Corporate Services) Group



## Contribution to the Federal Sustainable Development Strategy

The Federal Sustainable Development Strategy (FSDS) outlines the Government of Canada's commitment to improving the transparency of environmental decision making by articulating its key strategic environmental goals and targets. Defence ensures that consideration of these outcomes is an integral part of its decision-making processes. Defence contributes to the following FSDS theme as denoted by the visual identifier below.



### Theme IV

#### Shrinking the Environmental Footprint - Beginning with Government

During 2011-12, Defence considered the environmental effects of initiatives subject to the *Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*<sup>16</sup>.

For further information on Defence's activities to support sustainable development and strategic environmental assessments please see *Section III: Supplementary Information*<sup>17</sup> – Greening Government Operations and *Section IV: Other Items of Interest*<sup>18</sup> – Sustainable Development and Strategic Environmental Assessment.

For complete information on the FSDS, please visit the Environment Canada website<sup>19</sup>.

## Expenditure Profile

Departmental Spending (\$ thousands)

2009–10 Actual Spending	2010–11 Actual Spending	2011-12			
		Main Estimates	Planned Spending	Total Authorities	Actual Spending
19,855,670	20,298,257	21,293,330	21,299,079	21,718,125	20,218,758

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

In FY 2011-12, the Main Estimates were increased through Supplementary Estimates and allotments from Treasury Board by \$424.8 million. The differences between total authorities and actual spending of \$1,499.4 million consist of:

- ✦ \$1,348.3 million in authorities that will be available to the Department in future years related primarily to:
  - \$1,027.5 million for revised cash flow schedules for major capital equipment and infrastructure projects;
  - \$303.7 million in the operating budget carry forward that will be available to the Department in 2012-13; and
  - \$16.7 million in proceeds from the disposal of surplus Crown assets which will be returned to the Department in 2012-13.
- ✦ \$114.8 million related primarily to:
  - \$76 million for the return of unspent funds for the support of Canada's international security operations in Afghanistan; and

- \$38 million in year end adjustments related to the transfer of spending authorities from operating costs to personnel. The transfer was required mainly for settlement of civilian severance resulting from the ratification of collective agreements.
- ✦ \$36.3 million in residual lapses related primarily to \$34.4 million in lower than planned contribution payments as a result of reduction in NATO programs and the withdrawal of Canada from the Alliance Ground Surveillance System.

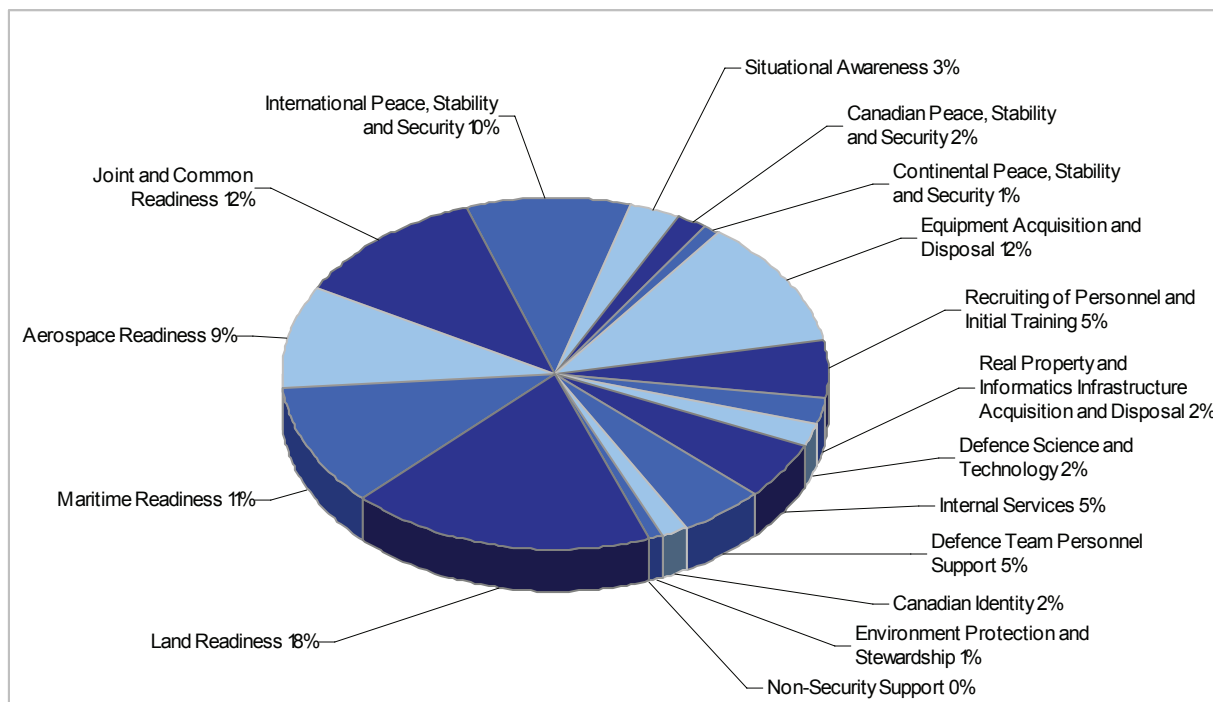
The total spending difference of \$79.5 million between fiscal years 2010-11 and 2011-12 is attributed mainly to an increase in expenditures of:

- ✦ \$360.7 million for military and civilian pay and allowances due mainly to payments for the termination of civilian severance and payments to fund the deficit in the Canadian Forces – Regular Force Pension Fund Account;
- ✦ \$223.3 million for rental of equipment mainly due to licence and maintenance fees for application software and aircraft rental for missions;
- ✦ \$350.0 million for professional services in the areas of telecommunications, engineering support for the North Warning System and the Victoria In-Service Support Project, and architectural services and engineering support for real property projects; and
- ✦ \$57.8 million net increase across other categories of departmental expenditures such as construction, utilities, materials and supplies.

These increases are offset by the decrease in expenditures of:

- ✦ \$1,027.3 million in acquisition of machinery and equipment due primarily to internal and external factors which resulted in changes in the timing of capital projects;
- ✦ \$24.4 million in repairs of equipment; and
- ✦ \$19.6 million in travel, transportation, and telecom expenditure.

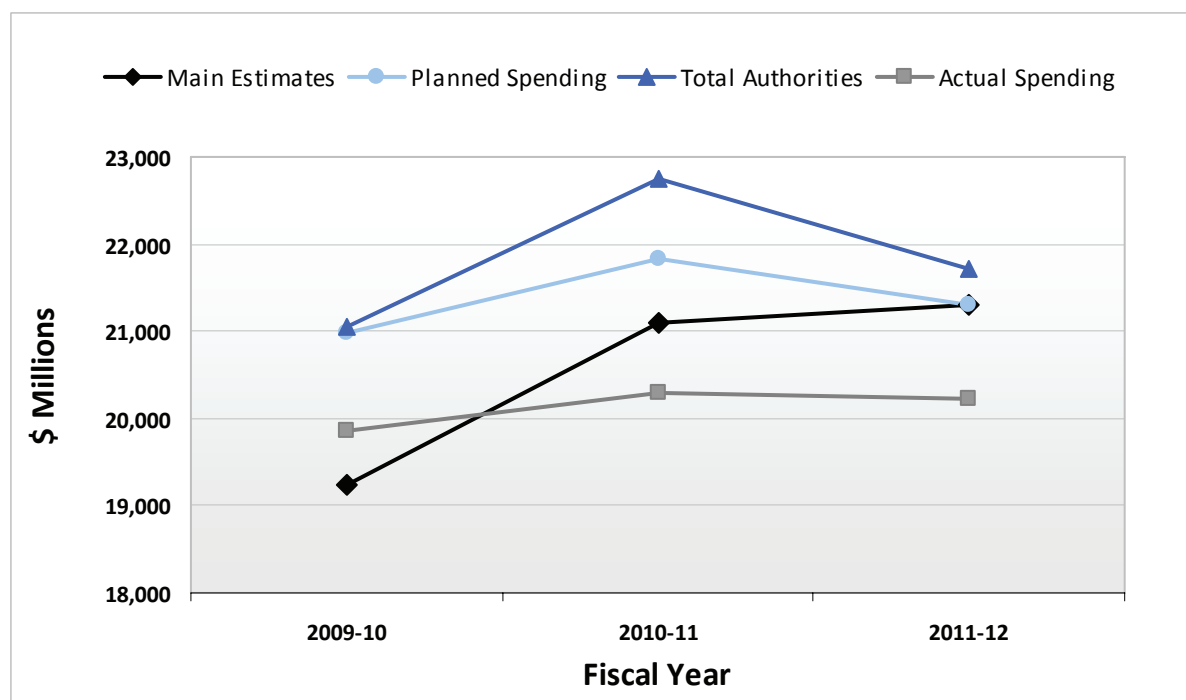
#### Departmental Spending for Fiscal Year 2011-12 by Program Activity



Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Due to rounding, figures may not add up to 100 percent.

## Financial Spending Trend



Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Notes:

1. The "Main Estimates" figure is submitted in December, prior to the start of a new fiscal year. It includes the known approved level of funding for the department as of October.
2. "Planned Spending" provides an update of the Main Estimates information on additional funding approved between October and February, as well as additional spending plans included in the Budget, which is finalized after the Main Estimates.
3. "Total Authorities" represent the final authority as shown in the Public Accounts. This figure represents the final level of spending approved by Parliament.
4. "Actual Spending", also found in the Public Accounts, represents the final spending on a cash basis.

## Estimates by Vote

For information on the Department of National Defence's organizational Votes and/or statutory expenditures, please see the Public Accounts of Canada 2011 (Volume II). An electronic version of the Public Accounts 2011 is available on the Public Works and Government Services Canada website<sup>20</sup>.

## SECTION II: ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME



Strategic Outcome	Program Activities
Defence operations improve peace, stability and security wherever deployed	<a href="#">International Peace, Stability and Security</a>
	<a href="#">Situational Awareness</a>
	<a href="#">Canadian Peace, Stability and Security</a>
	<a href="#">Continental Peace, Stability and Security</a>

### Strategic Outcome: Defence operations improve peace, stability and security wherever deployed

Defence fulfills three roles for Canadians: defending Canada, defending North America, and contributing to international Peace, Stability and Security. This outcome outlines these Defence roles in the context of the expected level of ambition as articulated in the *Canada First Defence Strategy* (CFDS).

### Program Activity: International Peace, Stability and Security

*This program will contribute to global peace and security by conducting global CF operations, across the spectrum from humanitarian assistance to combat, in concert with national and international partners, to achieve timely and decisive results in support of Canada's national interests. This is accomplished through the mobilization and deployment of forces internationally. Canadian Expeditionary Force Command is the operational command responsible for all Canadian Forces (CF) international operations, with the exception of operations conducted solely by Special Operations Forces elements.*

2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
2,027,838	2,222,147	1,980,673

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	7,463	6,929	(534)
Civilian	821	603	(218)
<b>TOTAL</b>	<b>8,284</b>	<b>7,532</b>	<b>(752)</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group



## Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
Meet expectations of Governments and the public to provide support in defence, security and safety events in the international environment when requested.	% of Commander's Intent met through successful planning and execution of international operations (routine and contingency).	80-100%	100%
	% effects achieved through successful planning and execution of international operations (routine and contingency).	80-100%	100%
	% assigned critical tasks completed through successful planning and execution of international operations (routine and contingency).	80-100%	100%

## Performance Summary and Analysis of Program Activity

- ✦ FY 2011-12 saw a significant level of operational planning, deployment and employment of CF capabilities. In total, Defence planned and executed six new international missions, stood down and closed out four missions and continued support to eleven others. At the peak of activity, over 5500 personnel were deployed under the command of the Canadian Expeditionary Forces Command. Conducted in diverse physical environments and layered with the complexities of coalition operations, these operations encompassed training and capacity building, peace support and stability operations, assisted evacuation, humanitarian assistance, counter-insurgency, and combat;
- ✦ The myriad of military mission objectives proved to be only successful due to the effective integration of support from Canadian Defence Intelligence, the contributions of Defence science and technology professionals, the wide ranging provisions of materials, the sound advice of Defence diplomats, the strong relationship with whole-of-government partners and our ability to engage with extant international partners;
- ✦ Consistent with the Parliamentary motion of 2008, Canada ended its combat mission in Afghanistan in July 2011. Defence's Mission Transition Task Force (MTTF) was the last rotation of troops in Kandahar. From July to December 2011, MTTF personnel achieved the task of packaging, shipping or disposing of equipment and materiel to close-out Defence's presence in Kandahar. This ensured a seamless transition to Operation ATTENTION, the training mission in support of the Government of Afghanistan. Defence's contribution to Operation ATTENTION consists of up to 950 CF personnel who advise and mentor Afghan trainers and leaders at training and educational institutions, mainly in the Kabul area. The mission's mandate continues to the end of March 2014;
- ✦ Defence saw its participation in the NATO-led Operation Unified Protector (Canada's Operation MOBILE) come to a successful conclusion on October 31, 2011. Canadian personnel, air and naval assets, along side NATO allies and partners, played a leading role in protecting civilians and civilian populated areas under threat of attack in Libya. At its peak, 655 personnel led or participated in the NATO operation. Uncertainty in the Middle East following the Egyptian and Libyan revolutions and the continued unrest in Syria led the government to direct Defence to maintain a forward deployed

naval asset in the Middle East region which continues to combat terrorism activities. A naval asset remains deployed in this effort;

- ✦ In support of the Jamaica Defence Force, Defence contributed to military aviation and search and rescue capability, comprising three CH-146 Griffon utility tactical transport helicopters with aircrews and support personnel, including five search and rescue teams to Jamaica under Operation JAGUAR. Over the course of the deployment from August to November 2011, 29 missions – four search and rescue, 24 medical evacuation and one casualty evacuation – transported 31 people to safety and medical help; and
- ✦ Focussing on Defence diplomacy in support of the global engagement strategy, high-level visits to key countries and participation in multinational exercises enhanced Canada's role and influence in NATO, contributed to building cooperation with like-minded European partners, deepened the bilateral relationship with the U.S., established relationships in Middle East and North Africa, contributed to capacity building of militaries in Africa and strengthened defence relationships with Jamaica. Defence established two new Liaison Officer positions (United States Pacific Command and France's *Centre de planification et de conduite des operations* (CPCO)) to gain understanding and influence with key partners.

## Lessons Learned

- ✦ Strategic operations in areas where Canada does not have a regular presence place a demand on strategic enablers (communications airlift, etc). The multiple demands for these finite resources had the potential to challenge Defence's ability to respond to Government expectations. The strategic apportionment process within DND/CF proved very valuable in managing potential problems in this area;
- ✦ Recent operations reinforce the requirement for investing in operational enablers (e.g. targeting) in order to fully exploit new/enhanced operational capabilities (e.g. Precision Guided Munitions). CF capability packages must be defined within a comprehensive framework that not only includes delivery systems, but considers the need for supporting enablers and trained/qualified personnel as well;
- ✦ Multinational forums, like NATO, have proven to be very useful, allowing Defence to leverage commonalities in equipment, procedures, and ammunitions with our allies; and
- ✦ We need to enhance our understanding of emerging security issues globally. Therefore, there is a need to create the ability to assess the posture and intention of our partners by enhancing pre-crisis engagements. Further investments in our defence attachés framework, integration of military staff within our U.S. , United Kingdom, Australia and France's command-and-control nodes in regions of interest, will allow improvements that enhance our understanding of emerging security challenges, the posturing and intentions of traditional partners, as well as to accelerate strategic and operational decision making, and our response to, and early effectiveness in, changing or new operations.

## Program Activity: Situational Awareness

*The Government of Canada and Defence require an accurate and timely security picture and comprehensive situational awareness and threat knowledge for Canada and abroad. This program will provide credible, reliable and sustained intelligence services to Defence in support of decision making and military operations, as well as, support to other government departments in the defence and security of Canada. Work activities include geospatial intelligence, imagery intelligence, signals intelligence, and counter intelligence. The program also ensures the acquisition and use of information from the global information infrastructure to provide foreign intelligence to support Government of Canada intelligence priorities. This is accomplished through the collection, dissemination and analysis of electronic information. The program will ensure the provision of advice, guidance and services to help protect electronic information and information infrastructures of importance to the Government of Canada as well as technical and operational assistance to federal law enforcement and security agencies in the performance of their lawful duties.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
638,303	517,796	599,459

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Total authorities presented in the program activity summary tables are updated RPP planned spending amounts, not final Parliamentary authorities. The program activities where the actual spending amounts are higher than the total authorities, do not represent an over expenditure of Parliamentary appropriations. Program activities with expenditure summary table deficits are fully offset by surpluses in other program activities.

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	1,715	1,715	0
Civilian	411	469	58
<b>TOTAL</b>	<b>2,126</b>	<b>2,184</b>	<b>58</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

### Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
Canada's national interests are advanced through information and technical advantage, particularly in the security realm.	% of up time 24/7 classified network is available outside maintenance windows (network availability).	98.5-100%	Measure linked to CSEC which is no longer part of the Defence portfolio
Situational awareness of the defence, security and international affairs environment is enhanced.	% of reports read out of total number of reports produced.	85-90%	Measure linked to CSEC which is no longer part of the Defence portfolio

## Performance Summary and Analysis of Program Activity

- ✦ The Government of Canada, DND and the CF require accurate and timely security information and threat knowledge, both within Canada and abroad. The situational awareness program activity provides comprehensive, reliable and sustained intelligence in support of decision making and military operations as well as by supporting other government departments in the defence and security of Canada; and
- ✦ A detailed analysis and summary of Program Activities and associated resources has been submitted to Cabinet as part of the *National Security Expenditure Report* for FY 2011-12.

## Program Activity: Canadian Peace, Stability and Security

*This program employs the Canadian Forces in the conduct of operations to ensure the safety and security of Canadians and the defence of Canada. These operations include protecting Canada's sovereignty, responding to domestic disasters or humanitarian crisis, supporting domestic security requirements, and conducting search and rescue activities. This is accomplished through the mobilization and deployment of forces within Canada. Canada Command is responsible for the conduct of all Canadian forces domestic operations – routine and contingency - and is the national operational authority for the defence of Canada.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
282,628	299,260	336,917

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Total authorities presented in the program activity summary tables are updated RPP planned spending amounts, not final Parliamentary authorities. The program activities where the actual spending amounts are higher than the total authorities, do not represent an over expenditure of Parliamentary appropriations. Program activities with expenditure summary table deficits are fully offset by surpluses in other program activities.

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	790	790	0
Civilian	100	100	0
<b>TOTAL</b>	<b>890</b>	<b>890</b>	<b>0</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

## Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
Meeting the expectations of the public and all levels of Government, the Canadian Forces will lead in response to defence events and provide support in response to security and safety events when requested by the	% of Commander's intent met through successful planning and execution of safety, security, defence and support operations.	80-100%	90%
	% effects achieved through planning and execution of safety, security, defence and	80-100%	90%

Expected Results	Performance Indicators	Targets	Actual Results
Government of Canada.	support operations.		
	% assigned critical tasks completed through planning and execution of safety, security, defence and support operations.	80-100%	90%

### Performance Summary and Analysis of Program Activity

- ✦ Defence focused on four key areas in protecting Canadian sovereignty and supporting domestic security requirements. These included:

- delivering strategic effect in Canada with the Defence mission and support to civil authorities for security and safety;
- improving responsiveness and delivering strategic effects in 24 hours;
- translating the Government's Northern Strategy into operational effect; and
- strengthening partnerships with defence and security partners.

In all areas, Defence remained fully engaged with other government departments (OGDs) and agencies to ensure a whole-of-government (WOG) approach.

- ✦ Defence has had excellent success in this area during FY 2011-12. Defence has conducted 15 named operations including operations and exercises in Canada's north enhancing Canada's Arctic sovereignty. During FY 2011-12, planning continued for future operations in Canada's North with Operation NANOOK remaining as the most visible CF and WOG activity. This major sovereignty operation reflects the Government's increased emphasis on Canada's North;
- ✦ Defence routinely conducted sovereignty operations and exercises throughout Canada's vast North, such as Operations NUNALIVUT, NUNAKPUT and NANOOK. These joint exercises involved all three CF environmental commands, including naval vessels, Army Regular and Reserve Force units, a wide range of aircraft, and the Canadian Rangers, contributing significantly to the exercise of sovereignty in this increasingly strategic part of Canada. Working in an integrated manner with OGDs, Defence demonstrated its ability to provide surveillance and operational control across the region, enhancing the Government's presence in many remote and isolated communities;
- ✦ Canadian Rangers continued to be true Arctic experts, exercising national sovereignty in the North and responding to a range of emergencies and incidents that occurred in that region. They also provided knowledge and expertise that was harnessed by the CF during training and operations in the North. The Army continued to pursue an expansion programme with a target of 5,000 members and 178 patrols. As of March 31, 2012, Ranger strength stood at 4,214 members in 119 patrols;
- ✦ Defence continued to be a key participant in the Arctic Security Working Group (ASWG). A biannual forum co-chaired by the Public Safety Canada Arctic Regional Office and Defence's Joint Task Force (North), Working Group activities enhanced security in the North through information sharing and cooperation among federal and territorial government departments and agencies, Aboriginal organizations, non-governmental organizations and other stakeholders operating in the region;
- ✦ Defence continued to provide leadership and support to many OGDs and provincial and municipal authorities in a diverse range of domestic operations. Of particular note, Defence conducted humanitarian and disaster relief operations in response to flooding in Quebec and Manitoba, forest

fires in Northern Ontario, and in response to the tragic First Air crash near Resolute, Nunavut. Additionally, Defence assisted the Department of Fisheries and Oceans by conducting regular fishery enforcement patrols, supported Royal Canadian Mounted Police (RCMP) drug eradication operations and the Canadian Border Services Agency in dealing with irregular migration; and

- ✦ The well-established and practiced National Search and Rescue (SAR) Program (NSP) functioned efficiently and effectively for all involved agencies. In all, 9183 SAR incidents were tracked, of which the CF were requested to respond to 957. Each activity is an indication of the robust planning and response capabilities providing Canadians with the safety and security they expect while also demonstrating its ability to collaborate successfully with a wide range of partners, strengthening and enhancing a government wide approach to supporting Canada.

## Lessons Learned

- ✦ Interdepartmental solutions to problem-solving deliver synergies and efficiencies. The whole-of-government approach is essential when considering issues in the North; and
- ✦ Significant logistical support planning is required in support of operations in a northern environment. Contingency planning is required due to unpredictable weather conditions.

## Program Activity: Continental Peace, Stability and Security

*This program employs the Canadian forces in the conduct of operations, both independently and in conjunction with allies, for the defence of North America and its approaches. Activities under this program include continental operations as required in accordance with Government of Canada policy. This is accomplished through the mobilization and deployment of forces for the defence of North America and its approaches. Canada Command is responsible for the conduct of all continental operations – routine and contingency - and is the national operational authority for the defence of North America and its approaches.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
197,907	210,619	202,580

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	603	603	0
Civilian	46	43	(3)
<b>TOTAL</b>	<b>649</b>	<b>646</b>	<b>(3)</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

### Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
Meet expectations of Governments and public that the militaries of each	% Commander's intent (successful planning and execution of continental	80-100%	90%



Expected Results	Performance Indicators	Targets	Actual Results
state will provide combined (two or more states) support in the event of defence, security and safety events when requested.	operations [routine and contingency]).		
	% effects achieved through successful planning and execution of continental operations (routine and contingency).	80-100%	90%
	% assigned critical tasks completed through successful planning and execution of continental operations (routine and contingency).	80-100%	90%

### Performance Summary and Analysis of Program Activity

- ✦ Defence continued to advance bilateral defence relations in a number of areas to more closely align Canadian and American defence activities, ensuring an enhanced security framework for the continent. The enduring relationship was sustained through planning, exercises and rapid response operations under the umbrella of the North American Aerospace Defence Command (NORAD) agreement, as well as bilateral exercises which practiced reactions to maritime threats to North America;
- ✦ Defence continued the tradition of close collaboration with U.S. counterparts, notably through the forum of the Permanent Joint Board on Defence (PJBD) where key bilateral defence challenges such as domain awareness, threat and risk assessments, intelligence and information sharing, critical and cyber infrastructure protection and interoperability were discussed. In addition to the PJBD, Canada Command, U.S. Northern Command and NORAD co-signed the first Tri-Command Strategy solidifying years of cooperative study regarding emerging continental defence and security challenges;
- ✦ The CF continued to be a principal partner in the U.S. Joint Interagency Task Force South (JIATF-S) in ongoing international efforts to disrupt the activities of trans-national criminal organizations, particularly in the area of importation of illicit drugs to North America and other destinations. Defence's leadership with Op CARIBBE utilizing naval vessels and Royal Canadian Air Force surveillance aircraft represented Canada's contribution to ongoing U.S. -led multinational efforts to interdict drug trafficking in the waters of the Caribbean Basin and East Pacific. Op CARIBBE was a significant example of the high readiness level and interoperability Defence has cultured with international partners; and
- ✦ Defence has advanced its outreach, projecting greater leadership in its security cooperation in Mexico and South America, providing for improved integrated joint and strategic effect in hemispheric security. Enhancing the relationship with the Mexican military forces as an element of an increased focus on the Western Hemisphere by the Government of Canada, the first tri-lateral meeting of North American Defence ministers between Mexico, the U.S. and Canada was held in 2011. This continental cooperation contributes to strengthening Canada's domestic security.

## Lessons Learned

- ✦ Cooperation between Defence, the U.S. and other nations, including numerous security and law enforcement agencies, is an important function required to ensure that a plethora of threats and common security goals was achieved.

Strategic Outcome	Program Activities
<i>(Click title to go directly to Outcome or Activity)</i>	
National Defence is ready to meet Government Defence Expectations	Land Readiness
	Joint and Common Readiness
	Maritime Readiness
	Aerospace Readiness

## Strategic Outcome: National Defence is ready to meet Government Defence Expectations

This outcome explains how resources are utilized to bring the CF to an appropriate state of readiness, enabling Defence to defend Canada and its interests both domestically and internationally.

### Program Activity: Land Readiness

*This program provides Canada with a combat-capable, multi-purpose Army. The program will generate and sustain relevant, responsive, combat capable land forces that are effective across the spectrum of conflict, from peacekeeping and nation building to war fighting. This is accomplished by bringing land forces to a state of readiness for operations, assembling and organizing Land personnel, supplies, and materiel as well as the provision of individual and collective training to prepare land forces to defend Canadian interests domestically, continentally and internationally.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
3,630,264	3,786,438	3,626,299

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	15,173	15,173	0
Civilian	4,987	4,954	(33)
<b>TOTAL</b>	<b>20,160</b>	<b>20,127</b>	<b>(33)</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

### Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
Sufficient land force units are ready to conduct and	% of establishment positions filled at units	98-100%	87.4%

Expected Results	Performance Indicators	Targets	Actual Results
lead domestic and international operations, up to and including combat operations across the spectrum of conflict, as directed by the Government of Canada.	identified for High Readiness: <ul style="list-style-type: none"> <li>• 4 Immediate Reaction Units</li> <li>• Forces identified for Primary and Secondary International Operation commitments</li> <li>• 1 Company for Non-combatant Evacuation Operation tasks</li> <li>• 1 Company for Disaster Assistance Response Team tasks</li> </ul>		

## Performance Summary and Analysis of Program Activity

### *Land Readiness*

- ✦ The Canadian Army (CA) was able to meet its domestic and expeditionary commitments, albeit with Primary International Commitment (CFDS Mission 5) limitations (the land materiel subjected to deliberate repair and overhaul (R&O) following nine years of continuous use) until November 1, 2012, when CA operational materiel is reconstituted from the combat mission in Kandahar.

### *Primary International Commitment*

- ✦ Without an assigned mission, this force was trained up to an enhanced foundation level only. Upon receipt of a mission, theatre mission specific training would be conducted during the pre-deployment timeframe. Although this land commitment was declared to the NATO Response Forces Pool throughout FY 2011-12, it was not deployed.

### *Secondary International Commitment*

- ✦ Despite the unique configuration and inherent force generation pressures, the CA was able sustain its current commitment as the primary force generator for the Canadian Contribution Training Mission – Afghanistan. Although the precise employment of Canadian training advisors is evolving rapidly due to the fluid operational landscape, the Army will be able to maintain this commitment until the current mandate ends in 2014.
- ✦ Beyond our expeditionary commitment to Op ATTENTION, the CA contributed specialists to Op MOBILE and Op LOBE in support of the campaign in Libya. Finally, the Army provided operators for the unmanned aerial vehicle on Royal Canadian Navy frigates deployed on Op METRIC.

### *Domestic and Standing Government of Canada Tasks*

- ✦ The CA maintained its Immediate Reaction Units, Territorial Battle Groups and Arctic Response Company Groups at normal readiness but with a high responsiveness for domestic contingencies. Through a series of domestic deployments in 2011-12, the Army saved Canadian lives and supported Canadian interests at home. Specifically, the CA rapidly responded to assist the provincial governments of Manitoba and Quebec with flash flooding in spring 2011 under the banners of Operation LUSTRE and LOTUS respectively. This excellence at home was further

illustrated by Army support to Northern Ontario fires in July 2011, deploying Canadian Rangers and land liaison teams to conduct site triage and consequence management. While conducting the NANOOK sovereignty operation in August 2011, land elements provided timely and decisive response to the First Air flight 6560 major air disaster located in the vicinity of Resolute Bay, Northwest Territories. Finally, the CA celebrated 50 years of distinguished support to Parks Canada, providing artillery effects for the Rogers Pass Avalanche Control Program.

- ✦ Additionally, even though they were not deployed, the CA had a Disaster Assistance Response Team and Non-Combatant Evacuation Company on high readiness and ready for deployment throughout the year.

## Lessons Learned

- ✦ Given the potential requirement to force generate land forces for simultaneous CFDS Mission sets, iterative analysis is required to strategically manage high demand low density land enablers; and
- ✦ Deliberate materiel repair and overhaul is required following the conclusion of a sustained primary international land commitment, necessitating early and persistent departmental coordination to harmonize the efforts of all stakeholders.

## Program Activity: Joint and Common Readiness

*This program will ensure Defence is ready to operate in a joint capacity, as directed by Government, to respond to domestic, continental and international requirements within the required response time. The program will generate and sustain forces for activities, operations and organisations in which elements of at least two services (e.g. Navy, Army, Air Force) participate. This is accomplished through the provision of training of a joint and common nature, the equipping of forces and the provision of their means to deploy in a joint capacity.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
2,237,251	2,324,943	2,337,399

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Total authorities presented in the program activity summary tables are updated RPP planned spending amounts, not final Parliamentary authorities. The program activities where the actual spending amounts are higher than the total authorities, do not represent an over expenditure of Parliamentary appropriations. Program activities with expenditure summary table deficits are fully offset by surpluses in other program activities.

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	6,837	6,837	0
Civilian	4,329	4,440	111
<b>TOTAL</b>	<b>11,166</b>	<b>11,277</b>	<b>111</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

## Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
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Defence is ready to organize and deploy a combination of two or more environments to meet the needs of assigned tasks.	% readiness of joint units/elements for high readiness.	98-100%	100%
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## Performance Summary and Analysis of Program Activity

- ✦ Capitalizing on the knowledge and experience gained during recent missions, Defence issued a Force Posture and Readiness Directive, aimed at optimizing all resources that deliver military capability to achieve an appropriate level of readiness. Providing for a predictable force posture for the CF in directing the Royal Canadian Navy, the Royal Canadian Air Force, the Canadian Army, Special Operations Forces and joint enablers determined what forces are to be available for employment in response to Government requirements, the Directive aims to make the best use of all resources (Personnel, Materiel and Financial) in the generation of forces for employment within a Defence-wide view;
- ✦ Defence demonstrated its ability to lead operations in a joint, interagency, multinational and public environment. Stage 3 of the Joint Training and Exercise program successfully tested a distributed command network and joint operational procedures using the required digital tools to enable a joint headquarters to command and control a virtual deployed force engaged in full spectrum operations. The successful completion of Stage 3 sets the stage for a fully integrated command post exercise in the following year;
- ✦ Through the CF Operational Support Capabilities Programme, Defence has continued to develop Operational Support (OS) capabilities in order to strengthen our force projection and sustainment capacity;
- ✦ Implementation of the Operational Support Hubs (OSH) Network extended CF global reach by enhancing the CF's ability to project and sustain forces worldwide. A successful proof of concept, as well as employment in support of operations, has led to the establishment of the European OS Hub in Cologne, Germany. Ongoing negotiations, in concert with the Department of Foreign Affairs and International Trade (DFAIT) initial diplomatic engagements have been conducted in six other regions to establish the network;
- ✦ Defence continued to be poised to take the lead role internationally in humanitarian and disaster assistance, non-combatant evacuation, peace support and combat operations; and
- ✦ Special Forces continued to be poised to deliver the effects needed by the Government of Canada (GoC), and Canadian citizens whenever and wherever needed. Special Forces readiness allows the CF to offer the GoC unique capabilities and expanded options to achieve strategic goals.

## Lessons Learned

- ✦ The structure of the OSH network provides an effective mechanism to mitigate and minimize disruptions to on-going Canadian missions, thus reducing operational risk. The OSH Network has proven to be an important tool of military diplomacy;
- ✦ At the strategic level it was determined that detailed business planning and coordination of training funds and resources continued to be fundamental to ensure that Defence was able to maintain readiness levels to meet assigned tasks within budget;

- ✦ Accomplished and ongoing missions, whether domestic or international, further stressed the importance of maintaining the ability to rapidly deploy, employ and sustain capabilities, and finally the ability to recover those same resources;
- ✦ Ranging from the establishment of the National Intelligence Center in support of the Deputy Commander of NATO's Joint Force (North) in Naples, Italy, to the creation of the Air Expeditionary Wing, and including significant other Task Forces, the establishment of effective command-and-control structures became crucial in our exercise of authority and direction over mandated missions; and
- ✦ Despite our demonstrated ability to make use of kinetic ammunition during operations it is recognized that there is a need to further develop ancillary enabling functions such as the ability for targeting and collateral damage estimation.



## Program Activity: Maritime Readiness

*This program provides Canada with a combat-capable, multi-purpose Navy. The program will generate and sustain relevant, responsive, combat capable maritime forces that are able to respond to a spectrum of tasks, as may be directed by the Government, within the required response time. This is accomplished by bringing maritime forces to a state of readiness for operations, by assembling, and organizing maritime personnel, supplies, and materiel. This includes the training and equipping of forces and the provision of their means of deployment, sustainment and recovery to defend Canadian interests domestically, continentally and internationally.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
2,188,533	2,289,716	2,297,720

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Total authorities presented in the PAA summary tables are not parliamentary expenditure authorities but the updated RPP planned spending amounts. Therefore expenditures in excess of total authorities presented in the PAA program activities tables do not represent an over expenditure of Parliament appropriation authorities. PAA deficits presented in the PAA expenditure summary tables are fully offset by available surpluses in other PAA activities in addition to the \$36M residual lapse for 2011-12.

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	7,840	7,840	0
Civilian	5,036	4,779	(257)
<b>TOTAL</b>	<b>12,876</b>	<b>12,619</b>	<b>(257)</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

### Program Activity Performance Summary

Expected Result	Performance Indicator	Target	Actual Result
Sufficient naval units are ready to conduct domestic and international operations, up to and including combat operations, as directed by the Government of Canada.	Availability of commissioned ships for deployment.	98-100% compliance with the <i>Readiness and Sustainment Policy</i> .	74.8%

## Performance Summary and Analysis of Program Activity

### Maritime Readiness

- ✦ The Royal Canadian Navy (RCN) Maritime Readiness Program Activity overall performance status in FY 2011-12 is the result of several and concurrent challenges that the RCN managed to maintain and operate a highly effective but aging fleet while advancing the generation of the next relevant and combat capable maritime forces that will meet the requirements of a renewed three-ocean readiness. These challenges ranged from the progression of the VICTORIA Class Submarine towards

operational status, maintaining the available fleet at the mandated readiness status and advancing the Halifax Class Modernization (HCM) program. This judicious management enabled the RCN to display success at sea and generating sufficient ships/units to meet standing and emergent Government of Canada (GoC) objectives. In FY 2011-12, the RCN successfully generated its fleet to meet the readiness requirement for a Single Ship International Deployment (SSID) for the entirety of the reporting period, Contingency Task Group (CTG) for 75 % of the period and a National Task Group (NTG) for 100% of the period. During this period, a SSID was deployed for Operation MOBILE, and again for Operation METRIC.

#### *Contingency Task Group*

- ✦ Personnel and technical readiness for all RCN high readiness ships/units remained at a high level during FY 2011-12. The number of major combatants forming the Task Group (TG) fluctuated over FY 2011-12 due to planned maintenance and scheduled refits. In the last two quarters, no RCN Auxiliary Oiler Replenishment ships were available to the TG due to the cyclical scheduled maintenance period required to maintain the platform in operating conditions. This planned absence of integral capability was mitigated by the execution of pre-determined plans such as replenishment at sea with our allies.

#### *National Task Group*

- ✦ Over FY 2011-12, the RCN sustained the capability to generate a NTG within warning period. The total number of available units to generate a NTG started to decrease during the fiscal year. This decrease was attributed to a number of major warships (Halifax (HFX), Iroquois (IRO and Protecteur (PRO) class) either going through the HCM program or a scheduled refit. For FY 2012-13 and until the completion of the HCM program, this later will continue to exert pressure on the total number of available major warships to a NTG. Careful planning by the RCN will continue to ensure sufficient availability of Halifax Class ships to generate a NTG.

#### *Single Ship International Deployment*

- ✦ During FY 2011-12 the RCN continuously generated high readiness ships/units available for employment as a SSID during FY 2011-12. Personnel and technical readiness were maintained at a high level with only normal cyclical fluctuations. The capability of the RCN to maintain a CTG at any given time has provided the flexibility to sail/deploy an SSID when and where required. For FY 2012-13, the RCN will sustain the ability to generate and sustain up to two HR ships/units, usually one from each coast in support of GoC initiatives and tasks.

#### *Domestic Maritime Readiness*

- ✦ During FY 2011-12, the RCN continuously maintained the capability to commit to Domestic Maritime Operation such as Disaster Relief, Aid to Civil Authority, Other Government Department or other standing and contingency responsibilities. The percentage of maritime assets available to commit to such tasks fluctuated and started to decrease after the second quarter. This decrease is attributed to a number of major warships (HFX, IRO and PRO class) either going through the HCM program or a scheduled refit. For FY 2012-13, this situation is expected to remain until the last quarter of FY 2013-14.

#### *Sustain Maritime Forces*

- ✦ For FY 2011-12, the RCN has adequately sustained maritime forces readiness in support of domestic and international operations. This program activity was achieved by supporting, through service delivery, the training of personnel, the maintenance of infrastructure and equipment, and promoting diligent and concerted effective command and control.

## Lessons Learned

- ✦ Close liaison with our allies has allowed us to rapidly develop and execute an adequate mitigation action plan to the planned absence of integral refuelling assets so to meet GoC objectives and tasking given.

## Program Activity: Aerospace Readiness

*This program will provide Canada with a combat-capable, multi-purpose Air Force. The program will generate and sustain relevant, responsive, combat capable aerospace forces that are able to respond to the spectrum of tasks, as may be directed by the Government, within the required response time. This is accomplished by bringing aerospace forces to a state of readiness for operations, by assembling, and organizing aerospace personnel, supplies, and materiel. This includes the training and equipping of aerospace forces and the provision of their means of deployment, sustainment and recovery to defend Canadian interests domestically, continentally and internationally.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
1,883,626	1,975,943	1,908,491

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	8,299	8,300	1
Civilian	2,123	2,220	97
<b>TOTAL</b>	<b>10,422</b>	<b>10,520</b>	<b>98</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

## Program Activity Performance Summary

Expected Result	Performance Indicator	Target	Actual Result
Relevant, responsive and effective Aerospace forces ready to conduct domestic and international operations as directed by the Government of Canada.	% readiness of units (personnel and equipment).	98-100% of the Managed Readiness Plan requirement.	88.3%

## Performance Summary and Analysis of Program Activity

- ✦ The Royal Canadian Air Force (RCAF) achieved all of its assigned Aerospace Readiness Program Activity tasks in FY 2011-12. The performance status was affected by a number of interdependent factors:

- The transition to new fleets such as CC-130J Hercules, CH-147F Chinook, and CH-148 Cyclone, while still operating legacy fleets, created challenges in generating sufficient air and ground crews;
- Aircraft serviceability and upgrade programs affected aircraft availability; and
- Personnel issues such as trained effective strength and experience level balance created readiness pressures.

#### *Readiness of Units*

- ✦ Following a challenging year of high visibility operations, the RCAF stands ready to provide a broad spectrum of aerospace capabilities to satisfy both domestic and international requirements.

#### **Lessons Learned**

- ✦ The RCAF continued to engage its lessons learned programme to gather and analyze data from recent operations in Afghanistan and Libya to facilitate prudent decision making concerning future investments or adaptations of training, tactics, and procedures. Preliminary findings suggest that emphasis should be put on:
  - Airborne sensors;
  - Improved communication integration architecture; and
  - Improved precision for the application of air power effects.
- ✦ Synergies for the delivery of airpower can only be realized through the concomitant development of aircraft capabilities and synthetic environments through the use of simulation. Stove-piped development of aircraft and simulation capabilities are neither efficient nor sustainable. The RCAF will develop integrated strategies to both reduce maintenance overhead and optimize training.

Strategic Outcome	Program Activities
<i>(Click title to go directly to Outcome or Activity)</i>	
Resources are acquired to meet Government Defence Expectations	Equipment Acquisition and Disposal
	Recruiting of Personnel and Initial Training
	Real Property and Informatics Infrastructure Acquisition and Disposal
	Defence Science and Technology

## Strategic Outcome: Resources are acquired to meet Government Defence Expectations

People, equipment, infrastructure, and information technology are the key resources necessary in order for Defence to deliver on our taskings. This strategic outcome outlines the Defence plans for the acquisition of resources.

### Program Activity: Equipment Acquisition and Disposal

*This program acquires and disposes of equipment required for Canadian Forces operations. This includes the acquisition of new & replacement capabilities or capital improvements to in-service equipment and their disposal at the end of their service life. Equipment Acquisition occurs primarily through collaboration with Public Works and Government Services (PWGSC), Industry Canada (IC) and the vendors. Equipment Acquisition activities include defining requirements, engineering design, sourcing, validation of requirements, developing procurement strategy, contracting, contract negotiation and award, contract administration and management, project management of equipment acquisitions.*

#### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
3,498,227	3,209,570	2,381,604

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: The variance between actual spending and total authorities is primarily related to adjustments in the spending profile of major capital equipment projects to align financial resources with project acquisition timelines. Approved program funding slippage was reprofiled to future years to support approved projects and programs.

#### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	816	816	0
Civilian	796	910	114
<b>TOTAL</b>	<b>1,612</b>	<b>1,726</b>	<b>114</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

## Program Activity Performance Summary

Expected Result	Performance Indicators	Targets	Actual Results
The acquisition of equipment and materiel in accordance with the <i>Canada First Defence Strategy</i> and IP will provide a solid foundation for the continued modernization and strengthening of the CF.	% of projects on schedule (CFDS).	90-100%	93.8%
	% of projects on schedule (non-CFDS).	90-100%	68.0% <sup>1</sup>
	% of overall planned dollars that were expended (CFDS).	90-100%	97.1%
	% of overall planned dollars that were expended (non-CFDS).	90-100%	88.2%

Notes:

1. A sampling of (50) non-CFDS projects is used to measure Departmental performance of projects on schedule. This figure is the resulting average of the sampling.

Below you will find a list of Major Crown Projects. For detailed information, please refer to [Section III: Supplementary Information](#)<sup>21</sup> - *Status Report on Major Crown/Transformational Projects*.

### Land

- ✦ Close Combat Vehicle
- ✦ Medium Support Vehicle System
- ✦ Lightweight Towed Howitzer
- ✦ Tactical Armoured Patrol Vehicle
- ✦ Light Armoured Vehicle (LAV) III Upgrade
- ✦ Force Mobility Enhancement
- ✦ Tank Replacement Project
- ✦ Intelligence Surveillance Target Acquisition and Reconnaissance

### Air

- ✦ Airlift Capability Project – Tactical
- ✦ Airlift Capability Project – Strategic
- ✦ Fixed Wing Search and Rescue Aircraft Replacement
- ✦ Next Generation Fighter Capability
- ✦ Maritime Helicopter Project
- ✦ Medium-to-Heavy Lift Helicopter

### Maritime

- ✦ Arctic/Offshore Patrol Ship
- ✦ Canadian Surface Combatant
- ✦ Joint Support Ship
- ✦ HALIFAX Class Modernization

## Performance Summary and Analysis of Program Activity

- ✦ In FY 2011-12, Defence invested \$2.4 Billion in capital acquisitions to obtain or renew core CF combat capabilities and equipment platforms including the Airlift Capability Project – Tactical (ACP-T) (Hercules C130-J aircraft), Leopard 2 chassis, and HALIFAX Class Modernization (HCM).
- ✦ Defence's acquisition projects provide a solid foundation for the renewal of the CF's core equipment platforms. The following accomplishments were achieved during the reporting period:



## LAND

- ♣ The Close Combat Vehicle (CCV) Request for Proposal (RFP) closed in August 2011. Vehicle testing was completed and the evaluation of the test results was underway at the end of the reporting period;
- ♣ The Tactical Armoured Patrol Vehicle (TAPV) RFP evaluation and testing of contender vehicles commenced in fall 2011 and was completed in January 2012. The Department was proceeding with securing the necessary project and contract approvals at the end of the fiscal year;
- ♣ The Force Mobility Enhancement (FME) project is broken into two phases:
  - Phase 1: The Armoured Engineer Vehicle (AEV) RFP was posted on MERX and closed on June 27, 2011. The Armoured Recovery Vehicle (ARV) and AEV contract was approved March 15, 2012. The contract for the ARV was amended March 26, 2012; and
  - Phase 2: An Advanced Contract Award Notice (ACAN) was posted on MERX in summer 2011 for upgrade work on the existing Leopard 1 Mine Roller and Mine Plough.
- ♣ Final deliveries of the M777 Lightweight Towed Howitzer (LWTH) and the Gun Management System components were completed April 15, 2011. The project achieved Initial Operational Capability (IOC) in October 2011; and
- ♣ The Light Armoured Vehicle III Upgrade Project (LAV III Upgrade) project received Effective Project Approval and Contract Approval from Treasury Board on October 20, 2011. Both approvals were announced by the Associate Minister of National Defence and the Minister of Public Works and Government Services Canada on October 21, 2011. Work was started on pre-manufacture engineering and Integrated Logistics System design to produce a product baseline.

## AIR

- ♣ The objective of the Next Generation Fighter Capability (NGFC) project is to acquire a next-generation aircraft to replace the CF-18 fleet on its retirement so as to maintain a manned fighter capability necessary for the defence of Canada and North America, and for CF collective expeditionary operations. On April 3, 2012, the Government of Canada announced a comprehensive response to Chapter 2 of the *2012 Spring Report of the Auditor General of Canada* that included a seven-step action plan to fulfill and exceed the Auditor General's recommendation. Canada will not sign a contract to purchase new aircraft until these steps are completed. Canada remains committed to ensuring that the Royal Canadian Air Force has the aircraft it needs to do the jobs asked of it;
- ♣ The Fixed Wing Search and Rescue Aircraft replacement (FWSAR) received Expenditure Authority from Treasury Board and entered its project definition phase on March 29, 2012; and
- ♣ The Airlift Capability Project – Tactical (ACP-T) delivered a total of 15 out of 17 CC-130J aircraft as of March 31, 2012.

## MARITIME

- ♣ Since the signing of the National Shipbuilding Procurement Strategy (NSPS) umbrella agreement on February 12, 2012, engagement with Irving Shipbuilding Inc. has begun and continues to progress the Arctic/Offshore Patrol Ship (AOPS) project within its definition phase; and
- ♣ The Halifax Class Modernization/Frigate Life Extension (HCM/FELEX) project is presently in its implementation phase with four ships in mid-life refit as of the end of FY 2011-12.

### *Defence Procurement Reform*

- ✦ Defence has continued to strengthen the internal management of its procurement-related functions, while actively collaborating with IC, the Treasury Board Secretariat, and PWGSC;
- ✦ National Defence has established a comprehensive internal departmental governance framework for Materiel Acquisition & Support (MA&S);
- ✦ National Defence collaborated with key partner Departments in establishing horizontal consultative frameworks for managing defence procurement as a Government of Canada activity;
- ✦ Implementation of the Project Management Competency Development Project initiative qualified 86 candidates from three different DND groups as Project Managers;
- ✦ A Director-General level coordination framework is now functioning between DND and PWGSC and has led to a number of efficiency gains;
- ✦ Defence continues to facilitate international materiel cooperative activities to enhance the cost effectiveness of Defence projects and programs; and
- ✦ A Project Management Support Office was created to provide common services/support to all Materiel Group project management offices acquiring goods and services.

### *Disposal*

- ✦ The Disposal program has been embedded in the business planning process and a governance framework complete with guidance documents has been established; and
- ✦ The Government of Canada Military website was established with PWGSC in November 2011 and is now being used as an e-marketing tool.

### **Lessons Learned**

- ✦ DND is working to mitigate the capacity challenge associated with the execution of the acquisition and sustainment programs. This is being achieved by:
  - Rebuilding the DND professional materiel acquisition and support workforce;
  - Streamlining internal processes;
  - Implementing performance-based logistics;
  - Enhancing project management excellence; and
  - Integrating the materiel information environment.

## Program Activity: Recruiting of Personnel and Initial Training

*This program will promote National Defence as a preferred workplace with the general public and to recruit new hires for a broad range of trades and other general, professional and scientific occupations. This involves deepening Defence's connections to the various educational and ethnic communities to attract the right number and mix of people who have the skills needed to contribute to meeting the Defence Mission. Engaging in effective leadership, strategic planning, and targeted outreach activities will ensure that proactive measures are taken to address the challenges arising from current labour market pressures for specific skill sets within certain geographic locations. The program will attract, select and enrol personnel and conduct initial training (basic recruit and occupational training) to military members to the Operational Functional Point. This ensures that sufficient personnel are recruited and trained with the needed skills in the appropriate occupation, now and into the future, to meet Defence requirements. This is accomplished through the provision of recruitment centres, recruitment campaigns, advertising and other outreach activities as well as the necessary training staff, facilities and associated supports.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
1,416,719	1,477,903	1,071,324

Sources: Assistant Deputy Minister (Finance and Corporate Services) Group

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	16,441	16,442	1
Civilian	496	413	(83)
<b>TOTAL</b>	<b>16,937</b>	<b>16,855</b>	<b>(82)</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

### Program Activity Performance Summary

Expected Result	Performance Indicators	Targets	Actual Results
Optimize intake today to fill the force structure of tomorrow.	% Achievement against FY Regular Force Expansion (FE) target.	99-101%	96.2%
	% Achievement against FY Reserve Force Expansion (FE) target (average paid strength).	99-101%	103.0%
	Year-over-year % improvement in the number of Regular Force occupations that are coded red on the Occupation Status List.	10% reduction per year	142.1%

### Performance Summary and Analysis of Program Activity

- ✦ The Regular Force experienced another successful year of working towards the goal of rebalancing Regular Force occupations. Successful recruiting and component transfers from the Primary Reserves into the Regular Force, combined with continued historically low attrition, resulted in most distressed, or "red", occupations achieving their recruiting targets;
- ✦ Additionally, as depicted in the table above, the year-over-year decrease in the number of Regular Force distressed occupations exceeded expectations; and
- ✦ Due to "synchronized" intake throughout FY 2011-12 corresponding to expected attrition, the Regular Force strength was maintained within the authorized 68K ( $\pm 500$ ) range. Enhanced synchronization between recruiting, individual training and education and other personnel generation activities resulted in continued reduction in the number of personnel on Basic Training and increased the Trained Effective Strength by over 600 personnel during the past 12 months.

#### *Personnel Impacts Post-Budget 2012*

- ✦ Of the total civilian recruitment carried out by DND, 58% were hires in the under strength occupations like purchasing, engineering, policy and auditor development and internship programs and as students;
- ✦ To prepare for the inevitable civilian labour market challenges of the future, Defence is conducting research into under-strength occupations specifically areas of retention and recruitment. Work is underway on demand/supply analysis of the engineering and purchasing groups;
- ✦ The civilian Apprenticeship and Operational Development Program hired, this fiscal year, 49 new participants to the program. Since the inception of this program in FY 2008-09, 439 participants were brought into the program, 188 have graduated and only 34 of the participants either chose to leave or did not complete the program. The program is currently supporting 217 participants; and
- ✦ CF Transformation will likely impact the strength of some Regular Force occupations. This may result in some occupations being over or under-strength and require Strategic Intake Plan adjustments. Budget 2012 initiatives may impact posting plots, including the cost move budget. Although senior leadership has been sensitive to these concerns, until all initiatives are announced and analyzed, the full impact cannot be assessed.

#### **Lessons Learned**

- ✦ The CF has developed and implemented sophisticated Regular Force personnel requirements planning and monitoring processes that successfully regulate recruiting targets and guide recruiting efforts in response to establishment and attrition changes. This ability to optimize recruiting and basic training is crucial in generating Navy, Army, Air Force personnel essential for CF operations; and
- ✦ At the strategic level it was determined that detailed business planning, coordination of the training funds and realignment of the civilian workforce requires an integrated employability strategy to ensure that Defence can maintain readiness levels to meet assigned tasks with the budget.

## Program Activity: Real Property and Informatics Infrastructure Acquisition and Disposal

*An extensive portfolio of land, works, buildings and informatics required to support the delivery of defence operations. The Real Property and Informatics Infrastructure Acquisition and Disposal program aims to ensure that the right real property and informatics is acquired and disposed of, and is available where and when needed, while providing value for money, advancing objectives for the greening of government land and buildings, and adhering to best practices for asset life-cycle management. Program activities include working with stakeholders to define requirements; updating the real property and informatics development and management plans; managing projects for new and replacement construction; and identifying and eliminating excess facilities. Real property and informatics are acquired through construction and recapitalization, purchase or capital leases, and disposed of through deconstruction, sale or transfer. The activity includes the Capital Assistance Program (CAP) which is a capital contribution program under which Defence makes financial contributions to support the transfer of infrastructure facilities to provinces, territories, municipalities and/or their agencies. CAP projects support real property goals and objectives by encouraging cost-effective solutions for the provision of infrastructure on bases and wings across Canada.*



Defence is a participant in the Federal Sustainable Development Strategy (FSDS) and contributes to the Greening Government Operations targets through the Real Property and Informatics Infrastructure Acquisition and Disposal program activity. The department contributes to Theme IV (Shrinking the Environmental Footprint – Beginning with Government) of the FSDS. For additional details on Defence's Greening Government Operations activities, please see the List of Supplementary Information Tables in Section III.

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
665,501	652,319	481,572

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: The variance between actual spending and total authorities is primarily related to adjustments to the spending profile of major infrastructure projects to align financial resources with project acquisition timelines. Most of the year end variance will be reprofiled to future years to support approved infrastructure projects.

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	17	17	0
Civilian	82	128	46
<b>TOTAL</b>	<b>99</b>	<b>145</b>	<b>46</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

### Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
Defence has a rationalized, relevant, and responsive Real Property portfolio.	Percentage of surplus property disposed within 3-year timeframe.	80-100%	0% <sup>1</sup>

Expected Results	Performance Indicators	Targets	Actual Results
Capital construction projects are managed in a timely and effective manner.	Percentage of total planned projects reaching completion during the year.	20-30%	25%
	Percentage of Capital Construction Program funds expended versus planned in CIP (Infra)	95-100%	85%

Note:

1. No eligible properties were available to meet this metric.

### Performance Summary and Analysis of Program Activity

- ✦ The Department actively worked on 127 construction projects valued more than \$5M each: 64 in project definition, 54 in implementation and 9 in close out. Of the projects in implementation and close-out, 12 achieved Beneficial Occupancy Dates this fiscal year, contributing to Air Force, Army, and Navy capabilities. These projects contribute to the CFDS objective to replace dated Defence infrastructure. Projects delivered include:
  - Aerospace and Telecommunications Engineering Support Squadron (ATESS) Building - CFB Trenton (Air Force). The ATESS provides aircraft refinishing support to all Air Force Wings;
  - Fire Hall - CFB Greenwood (Air Force). This new Fire Hall provides administration, training, and operational functions necessary to operate a modern fire department. The new building is located on the flight line, so as to minimize crash, rescue, and fire response times;
  - Hazardous Materials Facility - CFB Esquimalt (Navy). The facility improves the efficiency and effectiveness of daily base hazardous materials (including hazardous waste) management by improving hazardous materials handling and ensuring overall operational safety;
  - Training Centre Headquarters - LFQA (Army). The building provides functional training accommodations and resolves a shortage of bed spaces for training that existed; and
  - Light Armoured Vehicle (LAV III) Storage Facility - ASU Montreal (Army). The building provides parking for 102 LAV IIIs; 18 maintenance bays for full maintenance, including battle damage repairs; 6 kitting bays to prepare LAV IIIs for missions, and 4 wash bays that decontaminate vehicles returning from missions.
- ✦ The Department also announced several infrastructure projects that are beginning implementation, including:
  - 436 Transport Squadron Hangar - CFB Trenton (Air Force): The hangar will house and maintain the C130J Hercules tactical transport aircraft. Construction is scheduled to be completed by March 2013;
  - CF Armoury - Edmundston (Army): The new armoury will increase the visibility of the reserve force in the community, reduce travel distance for local personnel, and offer a better facility for training and equipment maintenance; and
  - Area Headquarters - CFB Edmonton (Army): The building of this new Area Headquarters enables the consolidation of other Base Headquarters units into a common facility.

## Lessons Learned

- ✦ The 2.5% Recapitalization and 1.4% Maintenance and Repair (M&R) annual investment targets directed under CFDS will continue to be essential towards ensuring the renewal and sustained relevance of the Real Property (RP) portfolio;
- ✦ Improvements are being made in the institutional capabilities and capacities necessary to ramp up the infrastructure investments required under CFDS. Combined with this is increased new infrastructure support to other CFDS pillars, particularly for Personnel and Equipment. However, the agility to adapt to new demands is still constrained by the overall staffing and approval processes for construction. The construction approval process will be analyzed as a Business Process Review initiative in FY 2012-13;
- ✦ The continued fencing of infrastructure M&R funding is a key strategic directive, ensuring that the required life cycle investment is not unnecessarily deferred to enable other short term operational pressures. Progress is continuing to be made towards the renewal and stewardship of the current RP portfolio; and
- ✦ Challenges remain to identify new RP portfolio divestment opportunities as well as to act upon RP divestment, in general, in a timely manner. We are now paying greater attention to the overall RP portfolio so that we may strategically identify the divestment requirements necessary to ensure the affordability and sustainability of the overall portfolio.

## Program Activity: Defence Science and Technology

*This program provides the Government of Canada with critical scientific knowledge and innovation to address defence & security challenges and needs. The Science and Technology (S&T) Program includes direction setting, program planning, program management, and capability management, execution and assessment. The Program comprises multi-year projects with activities in research, technology development, analysis and experimentation applied to inform, enable and respond to Canada's defence and security priorities over multiple time horizons extending up to a 20-year outlook. The scientific knowledge and innovation generated from these activities informs decisions on Defence capability acquisitions, readiness preparation and the conduct of operations in response to Government priorities. Activities under this program draw on internal capability and make extensive use of partnerships with Canadian industry and academia as well as international organizations.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
327,069	333,652	399,825

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Total authorities presented in the program activity summary tables are updated RPP planned spending amounts, not final Parliamentary authorities. The program activities where the actual spending amounts are higher than the total authorities, do not represent an over expenditure of Parliamentary appropriations. Program activities with expenditure summary table deficits are fully offset by surpluses in other program activities.



## 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	36	36	0
Civilian	1,584	1,691	107
<b>TOTAL</b>	<b>1,620</b>	<b>1,727</b>	<b>107</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

## Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
Canadian defence and security operations are benefiting from Science and Technology (S&T) outputs.	Number of S&T outputs used by defence and security operations vs. number planned.	95-100%	88.9%
Canadian defence and security priorities are successfully addressed through exploitation of S&T outputs.	Number of S&T outputs used by defence and security priorities vs. number planned.	95-100%	82.2%
Canadian defence and security policy development and implementation, and resulting socio-economic impact are enabled by S&T outputs.	Number of S&T outputs used by defence and security policy development, and socio-economic stakeholders vs. number planned.	95-100%	Not formally assessed in this round

## Performance Summary and Analysis of Program Activity

- ✦ Defence S&T continued to support CF operations at home and abroad. A survey of Defence stakeholders demonstrated that 80% see Defence S&T as supporting CF operations and other Defence Priorities. Defence S&T advice supported decision-makers in the formulation of strategy for critical infrastructure protection, cyber security, communications interoperability and other areas of public safety and security;
- ✦ Defence S&T continued to pursue cyber security initiatives with NATO, the U.S. and allied countries on the standards in the computer network operations domain. An S&T framework is currently being expanded by NATO as the baseline for future NATO use. In collaboration with Communication Security Establishment Canada (CSEC), Defence S&T has delivered a state of the art report on the science of cyber security;
- ✦ Cornerstone - In September 2011, an autonomous underwater vehicle (AUV) successfully collected bathymetric data under the Arctic ice from a Canadian Coast Guard ice breaker. The AUV was deployed in heavy ice three times and completed two missions, gathering data of interest in the Sever Spur area; and

- ♣ The Major Events Planning Framework has been adopted by the RCMP and is now being actively investigated by other public safety and security departments. Expressions of interest have also been received from international partners.

### **Lessons Learned**

- ♣ Timely transmission of research results is of critical importance to supporting Departmental priorities; and
- ♣ Institutionalization of optimal performance of business and management processes is critical in the achievement of expected S&T results. There is a need to streamline business processes including the S&T program formulation process.

Strategic Outcome	Program Activities
<i>(Click title to go directly to Outcome or Activity)</i>	
Care and Support to the Canadian Forces and Contribution to Canadian Society	Defence Team Personnel Support
	Canadian Identity
	Environment Protection and Stewardship
	Non-Security Support

## Strategic Outcome: Care and Support to the Canadian Forces and Contribution to Canadian Society

This outcome outlines the provision of care and support to Defence personnel as a key enabler to readiness and deployability. It also describes activities that reflect Defence contributions to Canadian society in a variety of ways outside the traditional role of the military, including contributions to Canadian identity and environmental protection.

### Program Activity: Defence Team Personnel Support

*The Defence Team Personnel Support program will provide a broad spectrum of support services such as financial support for education and housing and facilities services, as well as, benefits to military personnel and their families. The program will also provide learning support to Defence civilians. This program is necessary as the provision of fair and equitable support is a key element of the Social Contract between the nation and its military personnel that is essential to enhance personnel readiness and deployability, and establish the Canadian Forces as an employer of choice and learning institution.*

#### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
762,395	808,006	1,002,923

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: The variance between actual spending and total authorities is primarily due to an increase in the number of Regular Force Personnel pay amount attributed to Defence Team Personnel Support program activity and does not reflect an increase in the number of Regular Force personnel assigned to the program activity.

#### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	1,512	1,512	0
Civilian	965	1,188	223
<b>TOTAL</b>	<b>2,477</b>	<b>2,700</b>	<b>223</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

## Program Activity Performance Summary

Expected Results	Performance Indicators	Targets	Actual Results
Personnel Readiness and Deployability is enhanced through comprehensive support to military personnel and their families.	% of Regular Force member respondents indicating satisfaction with the military way of life and their quality of life in the Canadian Forces.	70-100%	80.2%
	% of Regular Force member respondents indicating readiness and willingness to deploy.	70-100%	78.2%
	% of Regular Force members' spouses indicating support of Regular Force member career.	70-100%	97%

## Performance Summary and Analysis of Program Activity

- ✦ The three Canadian Forces (CF) military personnel priorities are; caring for the ill and injured and their families, mental health and modernizing individual training and education. Achievements in each of these priorities are provided below;
- ✦ The CF hosted a day-long symposium in September 2011 announcing the launch and overview of the document *"Caring for our Own: A comprehensive approach to care for ill and injured CF members and their families"*;
- ✦ Approval was received to move forward with four Defence initiatives associated with Legacy of Care that will seek to provide:
  - Barrier-Free Transitional Accommodations;
  - Support Services while in Transitional Accommodations;
  - CF Attendant Care Benefits; and
  - CF Spousal Education Upgrade-Program.
- ✦ The Rx2000 Project Mental Health Initiative was completed and two new Operational Stress support Clinics at CFB Gagetown, NB and CFB Petawawa, ON were opened;
- ✦ The communication and harmonization of resilience training is ahead of schedule. The CF Road to Mental Readiness (R2MR) website was activated in October 2011 and provides CF personnel, their families, and service providers with full access to information about the R2MR deployment education training program;
- ✦ In order for Defence to enhance the effectiveness of civilian training, DND has expanded its Defence Learning Network (DLN), a platform to deliver department-wide capabilities related to integrated learning. Progress was made to deliver capabilities associated with developing and managing learning content, training documentation, as well as events and resources;
- ✦ Additionally, the DLN project (a multi-year project) is on schedule with the first DLN implementation milestone met during this past year. All DND/CF personnel now have access to on-line accounts,

virtual classrooms, a learning community of practice and the DND/CF enterprise reporting framework;

- ✦ To allow for increased efficiencies in terms of reducing travel costs normally associated with classroom delivery, DND introduced two key learning and development initiatives this fiscal year: online instructor-led delivery capabilities and the use of web 2.0 delivery technology;
- ✦ As part of its commitment to build leadership capacity, DND has initiated the creation of formal leadership succession and knowledge transfer plans for all organizations. This initiative included identifying current critical positions to meet business objectives, putting in place initiatives to ensure an adequate supply of qualified candidates are available to fill critical vacancies and aligning plans to ensure critical knowledge will be transferred and retained by the organization;
- ✦ DND has a strategy in place for a holistic approach to the process of managing and developing the department's civilian workforce, with a goal to integrate, into one seamless process, the human resources activities of: performance management, learning and development, succession planning, talent management and knowledge transfer;
- ✦ DND is leading a Return to Work program and disability management training for managers to deal with mental health issues in the workplace. The Mental Health for Managers of Civilians course is but one result that was noted as a best practice. Discussions are currently underway with the Canada School of Public Service for wider availability of this course throughout the Public Service;
- ✦ To assist managers in their duty to manage civilian employees and the issues they face, a disability management framework was developed to bring together the various elements of a comprehensive disability management program in the broader productivity and wellness framework. DND has developed strategies for advancing the delivery of the housing services program to meet the evolving need of the CF including the special needs of the CF members and their families; and
- ✦ The CF has advanced the policy discussion on the provision of Barrier-Free Accessibility (BFA) accommodation for CF members and their dependants. Over the last 10 years, 500 housing units have been modified to some extent and DND has completed the construction of seven full BFA units located in Wainwright, Edmonton, Shilo, Petawawa, Gagetown and Valcartier.

## Lessons Learned

- ✦ To address the difficulty in recruiting and retaining civilian mental health providers, innovative measures such as telehealth/video health are being utilized to temporarily bridge shortfalls in care providers while aggressive recruitment of civilian providers continued. This innovation has proven to be an efficient and effective tool in the provision of long distance care;
- ✦ The DLN approach is providing a stable, reliable vehicle to deliver among other effects, multiple pathways of standardized training and education including traditional classroom and alternate educational delivery;
- ✦ Need for regular consultations and stronger relationships with partners and stakeholders; and
- ✦ Requirement for steady-state capital funding in order to improve the quality of housing for CF members.

## Program Activity: Canadian Identity

*This program preserves and promotes Canadian identity by providing youth programs, ceremonial activities and the preservation of military history. The program is necessary to demonstrate the military heritage and proficiency of the Canadian Forces (CF) to Canadians and inform them of the military profession and practice in Canada. This is realized through initiatives such as ceremonial and band performances, CF museums, CF history and heritage books, web content and the Cadets.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
354,351	372,111	369,853

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	408	408	0
Civilian	258	238	(20)
<b>TOTAL</b>	<b>666</b>	<b>646</b>	<b>(20)</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

### Program Activity Performance Summary

Expected Result	Performance Indicator	Target	Actual Result
Canadians pride for our military.	% of Canadians who feel that the CF is a source of pride.	80-100%	82%

### Performance Summary and Analysis of Program Activity

- ✦ The CF provided support to Veterans Affairs Canada commemorative activities, specifically, the 95th anniversary of the Battles of the Somme and Beaumont-Hamel, France in the summer of 2011 as planned as part of Veteran's Week ;
- ✦ Private Alexander Johnston of the 78th Battalion (Winnipeg Grenadiers), killed on 29 September, 1918 during the Great War, was interred in a Commonwealth War Graves Commission cemetery in France in October of 2011. His remains were found in 2008 and his identity was confirmed in the spring of 2011 using biological and historical research;
- ✦ Ten new cases involving the investigation of 19 missing soldiers and airmen from the First and Second World Wars in Germany, Canada, the Netherlands and France were initiated;
- ✦ The travelling exhibit "A Brush with War: Military Art from Korea to Afghanistan" opened in Victoria, BC in June 2011;
- ✦ Director History and Heritage contributed heritage and historical advice to assist Defence in meeting Government of Canada objectives to commemorate the War of 1812; and

- ✦ The Department and the CF entered into an agreement with the National Hockey League and the renewed Winnipeg Jets Hockey Club for the use of the Air Force roundel as an integral element of the club's insignia, preserving the Crown's intellectual property rights while further strengthening the many ties between the Canadian Forces and our national pastime and passion.

#### *Canadian Cadet Program*

- ✦ The Canadian Cadet Program is a federally sponsored national training program for youth ages 12 to 18, conducted by Defence in collaboration with the Navy Cadet League, the Army Cadet League and the Air Cadet League. The CF provides personnel from the Regular Force, the Primary Reserve and more specifically, members of the Cadet Organizations and Administration and Training Service (COATS) which include officers of the Cadet Instructor Cadre, General Service Officers and General Service Non Commission Members. The CF also provides uniforms, some infrastructure and other support services such as airlift. A total of 52,059 young Canadians benefited from cadet training at local units of which 19,449 cadets attended national activities such as biathlon, marksmanship or one of the 24 Cadet Summer Training Centres located across the country.

#### *Junior Canadian Rangers*

- ✦ The Junior Canadian Rangers (JCR) Program is for youth ages 12 to 18 years in aboriginal communities and run in collaboration with local adult committees. The CF provides uniforms, training, financial and administrative support to the JCR Program, and CF Regular Force and Primary Reserve personnel assisted in the delivery and evaluation of JCR training during regular visits and field training exercises. 119 JCR Patrols are located in communities that have Canadian Rangers. The JCR Program provides structured youth activities promoting traditional cultures and lifestyles in remote and isolated communities of Canada. A total of 4,214 Junior Canadian Rangers benefited from training in local communities of which 1,027 participated in enhanced summer training sessions in summer 2011.

#### **Lessons Learned**

- ✦ Work to monitor, track and report on the number of Cadets and JCR and the number of units/patrols has been helpful in enhancing program leaders and managers knowledge to a degree. Subsequent work carried out under the Cadet Population Growth Initiative revealed that access to consistent, up-to-date and relevant data on youth, Cadet, COATS and adult populations is needed to help program leaders and managers to grow and sustain the Cadet and JCR populations. Obtaining and digging into more detailed population data from Statistics Canada reveals important external information below the level of the national population figures and helps focus in on areas with growth potential (e.g., emerging youth population pockets, growing communities without a unit/patrol). Similarly, with the strengthening of Fortress, the Canadian Cadet Organizations' administration system, more could be done to learn from the internal data gathered (e.g., the number of communities impacted, demographic make up of those youth enrolled).



## Program Activity: Environment Protection and Stewardship

*This program promotes public health and safety and supports sustainable development on Defence lands and wherever Defence operates. It delivers multi-faceted real property/infrastructure environmental protection and stewardship compliant with applicable legislation and federal policy that extends through every level of departmental decision making.*



Defence is a participant in the Federal Sustainable Development Strategy (FSDS) and contributes to the Greening Government Operations targets through the Environment Protection and Stewardship program activity. The department contributes to Theme IV (Shrinking the Environmental Footprint – Beginning with Government) of the FSDS. For additional details on Defence's Greening Government Operations activities, please see the List of Supplementary Information Tables in Section III<sup>22</sup>.

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
134,365	196,577	126,246

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	6	6	0
Civilian	182	186	4
<b>TOTAL</b>	<b>188</b>	<b>192</b>	<b>4</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

### Program Activity Performance Summary

Expected Results	Performance Indicators <sup>1</sup>	Targets	Actual Results
Demonstrate responsible and sustainable stewardship.	% achievement of FSDS commitments.	95-100%	93%
Reduce departmental liability for contaminated sites.	% reduction in contaminated sites opening liability (sites which reported liability in the previous fiscal year).	7% per year	16.6%
Demonstrate legal compliance and due diligence.	% of unexploded explosive ordnance (UXO) Legacy Sites for which risks have been assessed and are being managed.	Increasing proportion (%) each year	37%

Note:

1. The Performance Measurement table lists performance indicators that relate to specific areas within the program activity and do not necessarily cover the entire program activity.

## Performance Summary and Analysis of Program Activity

- ✦ In response to the Federal Sustainable Development Strategy (FSDS), Defence developed a strategic framework that responds to the relevant requirements of the Greening Government Operations (GGO) targets and began implementation towards achieving those targets. For details on Defence's GGO activities, see *Section III: Supplementary Information*<sup>23</sup> – *Greening Government Operations*;
- ✦ In addition to Defence's contribution to the FSDS, significant progress was made in the development of a Defence Environmental Strategy (DES). The DES is a departmental priority that is being developed as a way forward to environmentally sustainable defence management over the next 20 years. Its impetus stems from the ongoing requirement of integrating environmental considerations into the wide breadth of activities undertaken within Defence in support of the four pillars upon which Canada's military capabilities are built: personnel, equipment, infrastructure and readiness. The DES is a shift from simply managing environmental regulatory requirements to effective risk management of environmental obligations at an organizational level in support of a modern military;
- ✦ The Contaminated Sites Program continued to make progress on reducing its opening liability reported in the previous fiscal year by 16.6%. This was accomplished by expending 97.4% of the allocated funds. From year to year, as site assessments are completed, additional liabilities may be identified and will cause a fluctuation of the opening liability figure. For example, site assessments completed in FY 2011-12 have identified an increase in departmental liability by \$100M. However, during FY 2012-13, as the program continues to remediate sites, the overall liability will be reduced;
- ✦ During the past year, a total of 45 legacy sites have been subject to site assessments and prioritization. As such, and of the 827 confirmed or suspected unexploded explosive ordnance (UXO) legacy sites, a total of 303 UXO legacy sites have been prioritized and assessed since the beginning of the program. The percentage of legacy sites remaining to be assessed and prioritized will continued to decrease annually until all 827 sites have been assessed and prioritized. There is no set annual rate of completion as it depends on the number of confirmed and suspected UXO legacy sites. However, the level of effort at the current level of funding has been to assess and prioritize approximately 40 sites annually; and
- ✦ In FY 2011-12, current identified UXO liabilities fell by 34%. This performance indicator is based on the departmental liability identified at the beginning of the fiscal year and the actual work performed during the year to reduce the liability.

## Lessons Learned

- ✦ The DES will address those lessons learned from previous sustainable development strategies. The planning, programming, and reporting requirements will be clarified to improve the assignment of the necessary resources and tracking of progress. In addition, targets will be developed with a long-term view of the Defence environment and those targets will be communicated with clear reporting requirements that promote the generation of consistent, complete and accurate information.

## Program Activity: Non-Security Support

*Defence is strongly committed to contributing to Canadian society in non-operational roles. The program will provide supports to develop national competency in defence issues and to the whole of government approach by sharing information with other government departments and non-governmental organizations. This may include the provision of grants to researchers to generate knowledge related to defence issues or provide meteorological or mapping information to other government departments in the interest of information sharing on horizontal initiatives.*

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
7,165	8,324	17,317

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Total authorities presented in the program activity summary tables are updated RPP planned spending amounts, not final Parliamentary authorities. The program activities where the actual spending amounts are higher than the total authorities, do not represent an over expenditure of Parliamentary appropriations. Program activities with expenditure summary table deficits are fully offset by surpluses in other program activities.

### 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	20	20	0
Civilian	47	29	(18)
<b>TOTAL</b>	<b>67</b>	<b>49</b>	<b>(18)</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

### Program Activity Performance Summary

Expected Results	Performance Indicators <sup>1</sup>	Targets	Actual Results
OGDs and NGOs will contribute to the development of a national competency in defence issues.	Money spent vs. money budgeted for Vote 10 (Grants and Contributions).	95-100%	81.7%
Horizontal initiatives are supported by Defence information sharing.	Number of Information Sharing partnerships with OGDs and NGOs.	Increasing proportion (%) each year	No Data Available <sup>2</sup>

Notes:

1. The Performance Measurement table lists performance indicators that relate to specific areas within the program activity and do not necessarily cover the entire program activity.
2. This performance indicator, included in the 2011-12 Report on Plans and Priorities (RPP), is no longer measured by Defence and has been removed in the 2012-13 RPP.

### Performance Summary and Analysis of Program Activity

- ♣ In FY 2011-12, the Security and Defence Forum (SDF) provided \$1.55 Million in operational funding to its 12 Centres of Expertise and the Chair in Defence Management Studies;


- ✦ In addition, the SDF offered almost \$377,500 in awards, including eight Masters scholarships, six Doctoral scholarships, one post-Doctoral fellowships, and four internships; and
- ✦ The SDF also granted \$197,558 in support of 55 special projects in FY 2011-12. These events broadened public debate on a range of security and defence topics.

### Lessons Learned

- ✦ Defence conducted a review of the SDF in FY 2010-11. The review concluded that, although the SDF has successfully fulfilled its mandate, the original objectives of the program – established over 40 years ago – no longer align with current Defence Team priorities which have evolved greatly since 1967;
- ✦ It was therefore recommended that Defence transform the way it engages external security and defence experts to more directly support the defence and security policy thinking required to develop timely and relevant advice to the Minister of National Defence and the Government; and
- ✦ As a result, the department is establishing the Defence Engagement Programme, a programme to maximize our ability to engage expert communities in Canada and abroad.

### Program Activity: Internal Services

*The Internal Services Program Activity supports all strategic outcomes and is common across government. Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.*

 Defence is a participant in the Federal Sustainable Development Strategy (FSDS) and contributes to the Greening Government Operations targets through the Internal Services program activity. The department contributes to Theme IV (Shrinking the Environmental Footprint – Beginning with Government) of the FSDS. For additional details on Defence's Greening Government Operations activities, please see the List of Supplementary Information Tables in Section III<sup>24</sup>.

### 2011-12 Financial Resources (\$ thousands)

Planned Spending	Total Authorities	Actual Spending
1,046,937	1,032,800	1,078,558

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Note: Total authorities presented in the program activity summary tables are updated RPP planned spending amounts, not final Parliamentary authorities. The program activities where the actual spending amounts are higher than the total authorities, do not represent an over expenditure of Parliamentary appropriations. Program activities with expenditure summary table deficits are fully offset by surpluses in other program activities.

## 2011-12 Human Resources (Full-Time Equivalent – FTE)

	Planned	Actual	Difference
Military	1,315	1,315	0
Civilian	4,227	4,362	135
<b>TOTAL</b>	<b>5,542</b>	<b>5,677</b>	<b>135</b>

Sources: Vice Chief of the Defence Staff Group, Chief Military Personnel Group, Assistant Deputy Minister (Human Resources – Civilian) Group

## Performance Summary and Analysis of Program Activity

### Resource Management Services

#### *Human Resource Management*

- ✦ Improvements to the governance and management of the CF personnel system continued in FY 2011-12. Strategic reporting of personnel generation and personnel support activities, with the stand-up of the Personnel Metrics Team, was finalized. However, the major initiative in this area, the Military Personnel Management Capability Transformation (MPMCT) project officially launched CF-wide transformation activities targeting key areas of military personnel management capability. The project's main focus will be to transform, integrate and streamline military personnel management, increase integration of Regular and Reserve Force personnel policies, replace the two existing pay systems with one, provide greater user access, and upgrade the current Human Resource Management System. These essential transformation efforts seek not only modernization and efficiency, but will also add a vital operational focus to the CF personnel management capability while contributing to DND/CF alignment with the Government of Canada directed adoption of a common HR platform;
- ✦ To prepare for the civilian workforce challenges that lie ahead, DND has:
  - developed a Strategic HR Plan that focuses on leadership, workforce and workplace renewal. In effect, it is our roadmap to implementing our people management strategy over the next three years;
  - built new analytical capacity to strengthen its analysis and understanding of specific civilian workforce investments across functions, business units, and regions. The Civilian Workforce Dashboard presents a monthly snapshot of changing demographics, workforce needs, and other pressures and flexibilities. The Dashboard provides senior management with information to plan for longer-term future workforce needs and to make timely decisions;
  - defined an Employability Strategy to effectively manage the people impacts resulting from government wide spending reviews; and
  - conducted an Employment Systems Review to ensure DND's human resources and workplace policies, practices and accommodation measures are free from systemic barriers and that they are conducive to promoting employment equity and diversity at all levels.
- ✦ A civilian Human Resources Policy Framework was developed to provide consistency and efficiency in the governance of people management by making approved human resource policies accessible and transparent to managers, employees, unions and other stakeholders;

- ♣ The Department continued to maximize the efficiency and effectiveness of routine civilian human resource transactions, freeing capacity to enable the provision of more strategic support to departmental clients. These initiatives supported the Department in building a healthy, enabled workforce/workplace, with strong executive and managerial leadership;
- ♣ To support Public Service Renewal, new civilian talent management and employee engagement initiatives were implemented. Through employee-to-employee mentoring, learning groups and networks, best practices and experience can be shared throughout DND. To increase horizontal understanding of the most important Defence issues, the Department held town hall meetings for its new executives across the country; and
- ♣ Conducted an Employment Systems Review to ensure DND's human resources and workplace policies, practices and accommodation measures are free from systemic barriers and conducive to promoting employment equity and diversity at all levels.

#### *Financial Management*

- ♣ In order to ensure continuing improvement in financial systems and controls, and in compliance with the Treasury Board *Policy on Internal Control*, implementation of the System of Internal Control over Financial Reporting (ICFR) has progressed significantly and exceeded the expectations communicated in the departmental action plan for the FY 2011-12. Also, to maintain and improve oversight, the Chief Financial Officer re-alignment has formally established the Departmental Finance Committee, the Corporate Departmental Accounting Office, and a new unit under the Director Financial Controls, solely dedicated to strengthening ICFR. In addition, DND is pursuing the implementation of a department-wide integrated financial and materiel management Enterprise Resource Planning (ERP).

#### *Information Management (IM)*

- ♣ In keeping with the GoC Directive on Recordkeeping, the Department developed the departmental IM and Collaboration (IM&C) Documents & Record Management Initiative to produce IM practices in support of the information needs of the DND/CF. This process led to the development and approval of the IM & C Strategy and Roadmap, the creation of the Defence Recordkeeping Plan, launching of GCDOCS and SharePoint pilots and the promotion of IM awareness through the development of on-line training for the Defence Learning Network. Through these initiatives, the GoC Directive on Recordkeeping has been supported and progressed.

#### *Information Technology (IT)*

- ♣ The Defence ERP Strategy document has been approved, and realization of the ERP Strategy is ongoing through initiatives like the Materiel Acquisition and Support (MA&S) Information System (MASIS) and the Canadian Forces Supply System transition to the Defence Resource Management Information System (DRMIS). Projects in support of the ERP Strategy include the support to business transformation for Materiel Management, the Treasury Board approval of the MPMCT Project, and the establishment of the Canadian Forces Health Information System (CFHIS). The CFHIS was implemented to improve on the electronic health-record keeping and provide a better means to monitor health care of CF personnel both domestically and in support of operations. This capability has been fielded to 27 bases across Canada;
- ♣ An IT Policies Framework has been developed to better streamline efficiencies within the Department, which includes a suite of policies around the Management of IT, IT Security, and wireless frameworks. In addition, DND/CF has drafted an Enterprise Service Management Framework which

will improve the department's proficiency in IT process management and accountability over the next three years. This includes the establishment and roll out of the Enterprise IT Service Management Project, which has been fielded in two major bases in Western and Central Canada, with an intention of proceeding with a full roll out across the country to provide a DND/CF wide IM/IT Service Catalogue for designated and classified services while providing a centralized configuration management database and asset tracking capability; and

- ✦ DND/CF has established the Shared Services Group (SSG) in support of managing the transition of IT services to Shared Services Canada (SSC) and continued to develop processes to better streamline operations between these two organisations. DND/CF has assigned 227 military personnel to the SSG to provide support to SSC with their provision of services to the Department both domestically and internationally.

## **Governance and Management Support**

### *Audit and Evaluation*

- ✦ During FY 2011-12, the internal audit function focused audit work in areas assessed as high audit priority such as security management, major capital acquisition, procurement and contracting, and financial management; and
- ✦ The evaluation function continued to implement the requirements of the Treasury Board *Policy on Evaluation* during FY 2011-12, with specific action to expand capacity and increase the amount of evaluation coverage across program spending.

### *Communications*

- ✦ During FY 2011-12, Defence communications leveraged its strategic capacity by successfully aligning its efforts with the Defence Priorities and harnessing technological advances;
- ✦ Regarding the Defence Priority of Operational Excellence, Defence communications kept Canadians informed of the CF's transition from a combat role to training role in Afghanistan, and of the CF's participation in the NATO-led effort against the Libyan regime. In total, more than 370 stakeholder engagements and public relations activities were coordinated, focusing not only on CF operations such as these, but also on equipping the CF, leadership, and CF in the North;
- ✦ Throughout the year, Defence communications fielded more than 3,000 media queries and more than 4,000 public inquiries relating to these and other Defence Priorities, such as the Reconstitution of the CF post-Afghanistan, and Defence Affordability. Communications undertook a wide variety of activities to raise awareness of change initiatives and support management through change. In relation to efforts to streamline procurement, public affairs supported seven procurement announcements;
- ✦ Defence communications harnessed technology and social media to increase its reach both internally and externally. It successfully launched the first DND/CF Twitter account, developed departmental guidelines for the external use of social media platforms or services, and implemented a departmental Flickr-like imagery application, which improved the efficiency and productivity of communicating through imagery. In addition, the evolution of a single-window web-based interface to provide staff with global access to communications documents and tools, known as the public affairs portal, entered its final stages. This endeavour has now provided a model for other groups within Defence to use; and



- ✦ In increasing the cohesiveness of the information available to Canadians, communications made strides towards its goal of becoming strategically-focused. New tools were created to aid in the alignment and coordination of DND/CF-wide communications efforts, while the Employee Development Program continued to be a key element in building the strategic capacity within the public affairs group.

#### *Legal*

- ✦ In the conduct of its mandate, Defence is aware of the need to abide by all applicable Canadian and international laws. The Office of the Judge Advocate General (JAG) and the Department of Justice, as represented on site by the Office of the DND/CF Legal Advisor (DND/CF LA), delivered complementary strategic legal advice and services to the Minister, the Department and the CF in areas of international and domestic law relating to the governance, administration and operations of the DND and CF. Where appropriate, the provision of legal advice and services was coordinated with the DFAIT Legal Bureau, subject matter experts, and with legal counsel within the Privy Council Office;
- ✦ JAG carries out a statutorily-based mandate, contained in the *National Defence Act*, to act as legal advisor to the Governor General, the Minister of National Defence, the Department and CF in matters relating to military law and the superintendence of military justice;
- ✦ The Minister of National Defence is statutorily required to cause regular independent reviews of the provisions in the *National Defence Act* amended by Bill C-25 in 1998 and table these reviews in Parliament. The Second Independent Review by former Chief Justice of the Ontario Superior Court, the Honourable Patrick J. LeSage, was provided to the Minister of National Defence in late December 2011 and was tabled in Parliament on June 8, 2012;
- ✦ A number of Bills pertaining to military justice and military administrative law were reviewed and/or given Royal Assent during the reporting period. Bill C-16 - *The Security of Tenure of Military Judges Act* was given Royal Assent on 29 November 2011. Bill C-15 - *The Strengthening Military Justice in the Defence of Canada Act* was debated at Second Reading in the House of Commons. In addition, a number of consequential amendments to the Queen's Regulations and Orders (QR&O) were required to ensure full implementation of Bill C-16. JAG representatives also collaborated with the National Defence Regulations Section on proposed amendments to the QR&O that would be required to implement Bill C-15 once it receives Royal Assent; and
- ✦ DND/CF LA provided legal services to the Department to ensure that the implementation of the Defence Priorities in FY 2011-12 were carried out in accordance with the law. DND/CF LA supported the "Web of Rules" initiative, the Defence Procurement initiative, and the Defence Environmental Strategy. DND/CF LA provided legal services to ensure that policies to support personnel and CF families comply with the *Canadian Charter of Rights and Freedoms* and the laws of Canada. DND/CF LA managed ex gratia payments, and administered and settled claims by and against the Crown, including class actions, both domestically and internationally. DND/CF LA continued its engagement in the legal dimension of the Corporate Risk Profile; in particular, assisting Defence through the identification of legal risks, incorporation of mitigation strategies into the business planning process, and developing a departmental legal risk portfolio.

#### *Environment*

- ✦ Streamlined construction approval processes, and the establishment of timely and integrated in-year management have improved the Capital Construction Program delivery. Projects that are not deemed high risk and are valued at less than \$30M can proceed to both definition and implementation through a streamlined approval process, while projects meeting the same criteria, but valued less

than \$60M can proceed to definition. The streamlined process is subject to full internal departmental governance and oversight which are adjusted for risk and project value;

- ✦ The accrual funded construction expenditures increased in FY 2011-12. However, there was still approximately \$80M in accrual funding that was re-profiled to future years, mostly due to delays experienced in project delivery;
- ✦ Overall, the Department spent \$795M or 3.2% of Real Property Replacement Cost (RPRC) in the Construction program which is made up of both new capabilities and recapitalization of existing infrastructure. As per the CFDS the investment target for infra recapitalization is 2.5% of RRC which equates to \$618M in FY 2011-12. There are two major reasons for the increased investment in the construction program and these are:
  - Given the age and condition of buildings and works in the portfolio there has been a growing need to recapitalize infrastructure across the DND/CF to provide secure, safe and operational infrastructure to support DND/CF mandates; and
  - There have been several capital equipment acquisitions that have necessitated new infrastructure requirements, such as the C-17 aircraft, Maritime Helicopter Project, Medium-to-Heavy Lift Helicopter, and the tank procurement, which have contributed to the increased spending; and
- ✦ The Maintenance and Repair (M&R) budget was fenced in FY 2011-12 for the first time, ensuring that the funds remain available to maintain a healthy, safe and compliant portfolio and are not diverted to other operational priorities. As a result, total departmental M&R spending increased by \$44M to \$281M which represents 1.14% of RPRC<sup>2</sup>. Although we did not achieve the target of 1.4% RPRC, it does depict a real growth in M&R expenditures. There was no new real property condition performance data to report in FY 2011-12. Having said that, a third cycle of real property assessments is currently underway and preliminary findings will be included in the *2012-13 Departmental Performance Report*.

#### *Materiel Services*

- ✦ The development of the ERP tool, the DRMIS, of which the MASIS project is a central element, has progressed. The DRMIS project has delivered financial management and equipment, plant and related spares management capabilities to the Army and Navy. The supply chain integration into the ERP is presently under development in preparation for implementation in 2013;
- ✦ An inventory management program has been developed and work is progressing. The program includes: improved inventory management discipline, Distribution Resource Planning for Business Intelligence capture, rationalization of current inventory, streamlined policies and processes, and warehouse management and data collection solutions that will eventually support an end-to-end view of the Department's inventory; and
- ✦ The Materiel Acquisition and Support (MA&S) Learning Strategy continues to strengthen organizational performance through provision of a clear governance structure and accessible training across all MA&S communities of practice.

#### **Asset Management Support**

##### *Ageing Portfolio*

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<sup>2</sup> RPRC used in the calculation is \$24.7B.

- ✦ The recent infrastructure investments towards replacing aging facilities, as well as providing for new CF capabilities, have resulted in a gradual reduction in the average age of the Real Property (RP) portfolio in terms of individual assets. This has mainly been associated with non residential buildings, and to a lesser degree, works and utilities;
- ✦ The FY 2011-12 investment in the DND residential housing portfolio met and exceeded CFDS targets (2.5% of RPRC for Capital and 3.0% of RPRC for M&R) resulting in an improved condition assessment of the portfolio, however the assets continued to age. The main effort of the housing investment plan is focused on recapitalization and repair of the current housing stock; and
- ✦ This is primarily explained by the tendency that new construction normally replaces a number of smaller, old, facilities many of which are eventually divested. This increases the number of new facilities. However, the smaller, old, replaced buildings are a relatively small portion of RPRC, as larger old facilities are normally retained and repurposed for other uses. The RP portfolio, as a whole, is growing. Key to ensuring an affordable and sustainable portfolio will be to reduce in a more significant manner aging facilities concurrent with investments in new facilities.

#### *Program Stewardship*

- ✦ The centralization of Capital Construction funding will result in more agile and effective utilization of these resources towards Defence infrastructure investment; however, it will also have the added benefit of empowering the infrastructure Planning and Program Management activities.

#### *Renewed Infrastructure and Environment Workforce:*

- ✦ Defence Infrastructure and Environment (IE) has advanced its leadership in learning and professional development within the IE community with the development of the Defence IE learning training and development strategy and framework to leverage modern and innovative approaches to capacity building; and
- ✦ Defence IE contributed to achieving the right balance and composition of the Defence workforce by defining the IE community through a demographic analysis of military and civilian positions.

## SECTION III: SUPPLEMENTARY INFORMATION



### Financial Highlights

#### Condensed Statement of Financial Position (Unaudited)

As at March 31, 2012

(\$ thousands)

	Change \$	2011-12	2010-11 (Restated)
Total net liabilities	906,212	53,195,903	52,289,691
Total net financial assets	464,918	49,498,423	49,033,505
Departmental net debt	441,294	3,697,480	3,256,186
Total non-financial assets	(98,127)	38,721,597	38,819,724
Departmental net financial position	(539,421)	35,024,117	35,563,538

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

#### Condensed Statement of Operations and Departmental Net Financial Position (Unaudited)

For the Year Ended March 31, 2012

(\$ thousands)

	Change %	2011-12	2010-11 (Restated)
Total expenses	10.94	21,188,392	19,098,201
Total revenues	(2.50)	403,537	413,910
Net cost of operations before government funding and transfers	9.99	21,155,574	19,233,581
Departmental net financial position	(1.52)	35,024,117	35,563,538

Source: Assistant Deputy Minister (Finance and Corporate Services) Group

Total liabilities were \$53.2 billion at the end of 2011-12, an increase of \$0.9 billion (1.7%) over the previous year's total liabilities of \$52.3 billion. Canadian Forces Pension and Insurance Accounts comprised 88% of total liabilities.

Total net financial assets were \$49.5 billion at the end of 2011-12, an increase of \$0.5 billion (1.0%) over the previous year's total of 49.0 billion (restated). Due from the Consolidated Revenue Fund comprised 99.6% of total net financial assets.

Total non-financial assets were \$38.7 billion at the end of 2011-12, a decrease of \$0.1 billion (0.3%) over the previous year's total of \$38.8 billion (restated). Tangible capital assets comprised 82.3% of non-financial assets.

Since the increase in liabilities exceeded the increase in financial assets, the Departmental net debt increased \$0.4 billion (13.5%) over the previous year's total of \$3.3 billion (restated) to \$3.7 billion at the end of 2011-12. As a result of all the preceding factors, the Departmental net financial position ended the year at \$35.0 billion, a decrease of \$0.5 billion (1.5%) over the prior year total of \$35.5 billion (restated).

Total expenses for the Department of National Defence were \$21.2 billion in 2011-12 an increase of \$2.1 billion (11.0 %) from the previous year's total of \$19.1 billion (restated). Salary and employee benefits comprised 49.1% of total expenses.

The Department's total revenues amounted to \$403.5 million for 2011-12, a decrease of \$10.4 million (-2.5%) over the previous year's total of \$413.9 million (restated).

## **Financial Statements**

Defence's financial statements are available on the Defence website<sup>25</sup>.

## **List of Supplementary Information Tables**

Electronic supplementary information tables listed in the 2011-12 Departmental Performance Report can be found on the Defence website<sup>26</sup>.

- ✿ Details on Transfer Payment Programs
- ✿ Greening Government Operations
- ✿ Internal Audits and Evaluations
- ✿ Response to Parliamentary Committees and External Audits
- ✿ Sources of Respendable and Non-Respendable Revenue
- ✿ Status Report on Major Crown/Transformational Projects
- ✿ Status Report on Projects Operating with Specific Treasury Board Approval

## SECTION IV: OTHER ITEMS OF INTEREST



### Organizational Contact Information

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**TTY/TDD\*:** 1 800 467-9877

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### Additional Information

#### CF Bases, Wings and Selected Installations and Sites across Canada



**Source:** Vice-Chief of the Defence Staff Group

A complete listing of CF installations including bases, wings, stations and support units in Canada is available under [Links](#) – *Canadian Forces bases and wings co-located with civilian service centres across Canada.*

## Links

- 🍁 Canadian Forces bases and wings co-located with civilian service centres across Canada
- 🍁 Canadian Forces Installations across Canada
- 🍁 Capital Construction Program (over \$60M)
- 🍁 Cost Estimates for CF Domestic Operations
- 🍁 Cost Estimates for CF International Operations
- 🍁 Departmental Link to Government of Canada Outcome Areas
- 🍁 Defence Program Activity Architecture
- 🍁 Key Partners and Stakeholders
- 🍁 Legislative Environment
- 🍁 Organization Chart
- 🍁 Reserve Force
- 🍁 Selected Defence Portfolio HR and Financial Resources:
  - Canadian Forces Grievance Board
  - Judge Advocate General
  - Military Police Complaints Commission
  - National Search and Rescue Secretariat
  - The Office of the Ombudsman for the Department of National Defence and the Canadian Forces
- 🍁 Strategic Environmental Assessment
- 🍁 Sustainable Development
- 🍁 Work Environment



# ENDNOTES



## Hyperlink Notice

The Department of National Defence Departmental Performance Report contains links to third party sites. These links appear underlined in the main document, are written-out in the endnotes section and, in electronic versions of the document, are clickable. The Department of National Defence provides these links only as a service and convenience. We take no responsibility for the content at third party sites and a link to them in no way implies an endorsement or recommendation of the products, services or information found there.

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The Department of National Defence makes every effort to ensure that our links to third party web sites lead to content that is accessible and available in both official languages. However, that is not always feasible or possible.

<sup>1</sup> <http://laws.justice.gc.ca/en/N-5/index.html>

<sup>2</sup> The Department of National Defence (DND) and the Canadian Forces (CF) and the organizations and agencies that make up the full Defence portfolio are collectively referred to as Defence

<sup>3</sup> <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18218&section=text>

<sup>4</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=5726>

<sup>5</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=10133>

<sup>6</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=14611>

<sup>7</sup> <http://www.forces.gc.ca/site/pri/first-premier/index-eng.asp?WT.svl=CFDLEFT>

<sup>8</sup> <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm03>

<sup>9</sup> <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm01>

<sup>10</sup> <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm01>

<sup>11</sup> <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm02>

<sup>12</sup> <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm03>

<sup>13</sup> <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm02>

<sup>14</sup> <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm01>

<sup>15</sup> <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx#bm04>

<sup>16</sup> <http://www.ceaa.gc.ca/default.asp?lang=En&n=B3186435-1>

<sup>17</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=14624>

<sup>18</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=14611>

<sup>19</sup> <http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1>

<sup>20</sup> <http://www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html>

<sup>21</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=14624>

<sup>22</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=14624>

<sup>23</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=14624>

<sup>24</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-fra.asp?page=14624>

<sup>25</sup> <http://www.admfincs-smafinsm.forces.gc.ca/rp/112012-fs-ef-eng.asp>

<sup>26</sup> <http://www.vcds-vcemd.forces.gc.ca/sites/page-eng.asp?page=14624>