

National
Defence

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Department of National Defence

2003–2004

Report on Plans and Priorities

Canada 



Minister's Message

The tragic events of September 11, 2001, vividly demonstrated how much the international security environment has changed since the end of the Cold War. Almost 15 years ago, the dominant threat to international peace and security was the potential for “mutually assured destruction” in a major war between the NATO democracies and the Soviet Bloc. Today, the most serious threat to our security is the proliferation of weapons of mass destruction to rogue regimes, failed states, and terrorist networks such as al-Qaida that have global reach.

Despite differences of opinion on how best to grapple with this threat, western democracies continue to share a mutual and united interest on the need to transform their armed forces and national security establishments to deal with it. September 11, 2001, was a deliberate, conscious and organized attack on western values and interests. Under the principles of collective defence and collective security—the founding principles of NATO and the United Nations respectively—the al-Qaeda attack on the United States of America was an attack on all of us.

That is why Canada has given its unequivocal support to the international campaign against terrorism. We were the first nation to provide immediate assistance to the United States on that tragic day. NORAD (which then had a Canadian Lieutenant-General as Deputy Commander-in-Chief) was responsible for the immediate continental aerospace response. Canadian airports and communities across the country gave safe haven to diverted aircraft. Between September 11, 2001, and March 1, 2003, Canada's CF-18 Hornet fighter aircraft flew about 3,600 hours in support of NORAD and *Operation NOBLE EAGLE* to safeguard the skies of North America against air piracy and air terrorism. Through *Operation APOLLO*, Canada put forward the fourth-largest international military contribution to the campaign against terrorism by the end of 2002, and we subsequently deployed a Battalion Group to Afghanistan to serve in combat operations alongside U.S. forces. In total, more than 4,500 Canadian sailors, soldiers and Air Force members have deployed on *Operation APOLLO* over the past 18 months.

Canada recently committed, for a one-year period, a Battalion Group, a brigade headquarters and other elements to the UN-sanctioned peace-support mission in Afghanistan as part of the International Security Assistance Force (ISAF). With this new mission, we will increase our contribution to the campaign against terrorism, help defend Canada and the world against this persistent threat, and provide renewed assistance to the people of Afghanistan.

The Government of Canada also remains committed to domestic and continental security. This means continuing to ensure the security and sovereignty of Canada, and working with the U.S. to ensure the security of North America. Notably, the recently established Bi-national Planning Group will help Canada and the U.S. prevent attacks and save lives.

The Government of Canada significantly increased defence spending in Budget 2003. Before the Budget, it was made clear by the Chief of the Defence Staff (in his Annual Report of 2002), leading Parliamentarians, Canadian defence experts, and many concerned Canadians that the Department of National Defence and the Canadian Forces faced serious financial challenges.



As Minister of National Defence, I listened. And, based on the arguments and facts presented, the Government acted.

Budget 2003 gave the Department of National Defence and the Canadian Forces the single largest budget increase in a decade. The Budget puts \$800 million into defence for 2003–04, and increases the defence baseline budget by \$800 million per year thereafter. Combined with \$150 million for inflation and other adjustments, defence spending will rise by \$1 billion next year. This new money, along with \$200 million of planned internal reallocations, eliminates the Canadian Forces' \$936-million sustainability gap and will help to stabilize the Forces in the short term. Among several priorities, it will help the Canadian Forces:

- continue to support ongoing recruiting and training programs;
- re-stock spare parts and ease pressure on the defence budget for operational support;
- support and enhance the Reserve Forces;
- buy new equipment and modernize capabilities in selected areas;
- address pressing infrastructure maintenance and replacement needs; and
- ease pressure on Canada's Army, Navy and Air Force operations both at home and abroad.

This budget also establishes a \$125-million reserve for contingencies in 2002–2003, and \$200 million in 2003–2004. In addition, the budget provides \$170 million in 2002–03 to address urgent needs and \$100 million in 2002–03 to cover the remaining costs of Canada's contribution to the operation in Afghanistan.

Even with this new funding, however, the Department of National Defence and the Canadian Forces will have to continue making tough choices. In the post-September 11 environment, armed forces around the world are facing a daunting double challenge. On the one hand, they must respond to the new security environment. The threat has changed. Their environment has changed. And, if the Canadian Forces are to remain relevant, they must change.

At the same time, the world's armed forces are faced with rapidly changing technologies and what amounts to a revolution in military affairs. Essentially, this revolution is the military equivalent of what most civilians know as the "information age" or "new economy". In a military context, today's new technologies radically increase the precision and lethality of modern weapons systems, the costs, and the volume and speed of information available to decision-makers and their troops. The combination of these developments in a military context is a radical transformation of the operational concepts, doctrine, organizational structures, and tactics of modern warfare.

Like our major allies, Canada must adapt its defence and security establishment to these new realities. Armed forces around the world have no choice but to transform themselves in the face of these enormous changes. In response to September 11, the United States is currently undertaking the largest restructure of its government since the beginning of the Cold War. Britain recently completed a post-September 11 update to its Strategic Defence Review. The Czechs, Australians, Germans and Dutch are all launching major transformation initiatives. For Canada, the question is how best to achieve the required transformation of the Canadian Forces.



If we truly believe in collective security, if we believe we can and should make a difference in the world, and if we believe we must be prepared to back our values with action when required, then we must accelerate the transformation of our defence and security establishment and get out in front of the changes reshaping our security environment.

This will require significant new thinking. We will have to make difficult choices. These choices will have to be asymmetric. We can no longer afford to invest equally in the capabilities or structures of the past. Given the nature of the revolution in military affairs, and given the costs of new technologies and high-end military platforms, we cannot afford to maintain parity across the board with the United States, or Britain or France for that matter, nor have we in the past. That means being guided by new fiscal, technological and strategic realities to make selective, strategic choices on what capabilities we will invest in, what new concepts and capabilities we will pursue or ignore, and what old capabilities we will maintain, reduce or eliminate. We cannot be all things to all people. We must select and invest in those capabilities that reflect Canadian values and interests, and maximize Canada's return on its defence investments.

As part of this process of making strategic choices, we will reallocate funds within the Defence portfolio to higher priorities. As Minister, I am committed to finding \$200 million for reallocation. I have asked the department to review existing capabilities with a view to reallocating funds to higher-priority projects. I have also appointed an Advisory Committee on Administrative Efficiency with experience in private- and public-sector administration, management, and restructuring to help me realize this objective. The Advisory Committee will work closely with departmental officials in identifying potential administrative efficiencies and improvements.

As we move forward in the months ahead, we will continue to face significant challenges. We live in challenging times. Transformation requires leadership at all levels and requires a measured, well-thought-out approach, and we must begin the process now.

I am confident that the Canadian Forces and the civilian employees of the Department of National Defence will succeed as they move forward on these important initiatives in the coming years.

The Honourable John McCallum, P.C., M.P.
Minister of National Defence



Management Representation Statement

I submit, for tabling in Parliament, the 2003–2004 Report on Plans and Priorities for the Department of National Defence.

To the best of my knowledge, the information in this document:

- accurately portrays the organization's plans and priorities;
- is consistent with the reporting principles contained in the *Guide to the Preparation of the 2003–2004 Report on Plans and Priorities*;
- is comprehensive and accurate; and
- is based on sound underlying departmental information and management systems.

I am satisfied as to the quality-assurance processes and procedures used in the production of this report.

The Planning, Reporting and Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Margaret Bloodworth
Deputy Minister



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Section 1: The Benefits of Defence Investment

The past few years have demonstrated that the national defence is as important as ever, and that investments in defence produce tangible benefits for Canadians by contributing to our safety, security and well-being.

Canadians know that we cannot enjoy our prosperity and sovereignty without ensuring our citizens are safe and secure. We know our prosperity depends on international trade, and trade, in turn, depends on an open, secure border with the United States and broader international stability. We also know that, as a privileged country, Canada must contribute to the promotion of human rights, freedom and democracy.

The Defence Mission

The mission of the Department of National Defence, the Canadian Forces, and the broader defence portfolio (collectively referred to as Defence) is to defend Canada and Canadian interests and values, while contributing to international peace and security.

In fulfilling this mission, Defence maintains a range of capabilities and delivers a variety of Defence services that are designed to contribute to:

- the physical security of Canadians;
- the defence of our sovereignty;
- continental security;
- international stability; and
- the promotion of basic human rights and freedoms abroad.

Within Canada, key Defence services include:

- surveillance and control of Canadian approaches and territory;
- support to other government departments and agencies;
- national search-and-rescue services;
- assistance to civil authorities;
- aid of the civil power, delivered pursuant to section 275 of the *National Defence Act*;
- support for the federal response to counter-terrorist and asymmetric threats; and
- critical-infrastructure protection and emergency preparedness.

Defence also contributes to broader national priorities. It supports Aboriginal communities through the Canadian Rangers and the Junior Canadian Ranger Program, and Canada's youth through the Cadet movement. It is a major federal sponsor and advocate of research and development, and an essential part of our national history, heritage, and identity.

In North America, Defence operates more than 40 radar sites across Canada as part of the North Warning System, and contributes to broader continental security in co-operation with the United States. Canada and the United States are co-signatories of more than 80 treaty-level defence agreements and 250 memoranda of understanding,



share intelligence and security information on an ongoing basis, and often train together in joint exercises.

Canada's core commitments to continental defence are contained in two key agreements - the **Basic Security Document** and the **NORAD Agreement**. Under the Basic Security Document, Canada is committed to providing the following forces to the defence of North America, if required:

- a joint task force headquarters;
- a maritime task group of up to 4 ships on each coast;
- a brigade group with associated support elements;
- two squadrons of fighter aircraft; and
- a squadron of transport aircraft.

Canada and the U.S. are partners in the North American Aerospace Defense Command (NORAD), which has a bi-national command structure.

Canada and the U.S. also recently agreed to establish a new Canada-U.S. military Planning Group to prepare contingency plans and enhance both countries' ability to respond to and save lives in the event of a terrorist attack or major natural disaster in North America.

Internationally, Canada participates in multilateral operations mounted by the United Nations (UN), the North Atlantic Treaty Organization (NATO), and coalitions of like-minded nations. Defence also makes significant contributions to several major NATO programs, including bilateral training, NATO Flying Training in Canada, the Partnership for Peace initiative, and DND's own Military Training Assistance Program. Defence supports a wide range of arms-control activities, maintains the ability to respond rapidly to humanitarian emergencies worldwide through the Disaster Assistance Response Team (DART), and maintains the ability to protect and evacuate Canadians from areas threatened by conflict.

Defence's key current international commitments include contributions to:

- the international campaign against terrorism through Operational APOLLO;
- NATO's stabilization force in Bosnia-Herzegovina, through *Operation PALLADIUM*;
- the United Nations multinational Standby High Readiness Brigade, known as SHIRBRIG¹;
- the Prague Nuclear, Biological and Chemical Defence Initiatives; and
- a variety of small UN missions in the Middle East, Cyprus, Sierra Leone, Ethiopia (closing June 2003) and the Congo.

The Minister of National Defence announced in the House of Commons that Canada had been asked by the international community to help maintain peace and security in Afghanistan through the International Security Assistance Force (ISAF). Canada has

¹ Canada recently assumed the presidency of SHIRBRIG for 2003. SHIRBRIG is a pre-established (non-standing) multinational brigade-sized force created to provide a rapid deployment capability of up to six months. SHIRBRIG is designed to undertake peacekeeping operations mandated by the United Nations Security Council under Chapter VI of the UN Charter.



indicated that the Canadian Forces could deploy a battalion group with, possibly, a brigade headquarters and some additional elements to participate in the United Nations-sanctioned peace-support mission in Kabul.

The Defence Portfolio

The Defence portfolio comprises the Department of National Defence, the Canadian Forces and several related organizations and agencies, including:

- the Communications Security Establishment (CSE);
- Defence Research and Development Canada (DRDC);
- the Office of Critical Infrastructure Protection and Emergency Preparedness (OC�PEP);
- the Canadian Cadet Movement and the Junior Canadian Rangers;
- the Canadian Forces Housing Agency (CFHA); and
- the Canadian Forces Personnel Support Agency (CFPSA).

The CF also maintains:

- a police service, comprising the Military Police and the National Investigation Service, operating under the Canadian Forces Provost Marshal;
- a justice system, administered under the superintendence of the Judge Advocate General;
- the Canadian Defence Academy, comprising a university (the Royal Military College of Canada) and other educational and professional development centres including the Canadian Forces College, the Canadian Forces Leadership Institute, and the Canadian Forces Management Development School;
- medical and dental services, since CF members are excluded from the *Canada Health Act* of 1984;
- firefighting services;
- chaplaincy services; and
- extensive communications networks in Canada and abroad.

Defence also includes several independent organizations that report directly to the Minister of National Defence. They are:

- the Office of the Judge Advocate General (JAG);
- the Canadian Forces Grievance Board;
- the Military Police Complaints Commission;
- the Office of the Department of National Defence and Canadian Forces Ombudsman; and
- the National Search and Rescue Secretariat.



Accountability and Structure

The *National Defence Act* establishes DND and the CF as separate entities operating in close co-operation under the authority of the Minister of National Defence.

Accountability in DND and the CF is described in detail in *Organization and Accountability: Guidance for Members of the Canadian Forces and Employees of the Department of National Defence*. This publication is available on-line at http://www.forces.gc.ca/site/minister/eng/authority/OA_e.htm. Additional information on Defence agencies is found in Section 5. The department's organization chart is included in Annex C.

Integrated Risk Management

Integrated Risk Management is a continuous, proactive, systematic process for understanding, managing and communicating risk from an organization-wide perspective. It is about making decisions that contribute to the achievement of overall DND/CF objectives. Although risk management is an integral part of everyday planning and management in DND, the department currently has no framework that encompasses all these efforts. In conjunction with Treasury Board efforts in this area, an internal baseline study on risk management is to be completed by spring 2003. This study will assist in establishing a blueprint for a department-wide integrated risk management program.

Performance Measurement

Performance measurement in DND continues to be based on the corporate Performance Measurement Framework (PMF), which is being refined since the introduction of PRAS in 2001, with performance measures and indicators being developed at the corporate level. The collection and analysis of data, and a proposed synchronization of reporting cycles with business-planning and corporate priorities, have commenced. Also, it is expected that, over the next few years, the PMF will be enhanced to provide DND with the capacity to improve reporting to Parliament and internal decision-making, based on performance information. To this end, DND has embarked upon a pilot project for the implementation of a "Balanced Scorecard" strategic-level performance-management regime. This high-level modern management initiative will be used to assist senior leaders in their decision-making processes. With its focus on DND/CF strategic objectives, it will guide the allocation of resources (personnel, equipment, money), and management concentration, toward their achievement.



Section 2: Planning Context

We are living in a period of profound change. We face a new security environment characterized by a new breed of terrorism, the proliferation of weapons of mass destruction, and increased public awareness of threats to our prosperity and security. Collectively, these and related trends and developments make a profound impact on defence organizations and defence relationships as modern armed forces around the world conclude that they have no choice but to transform themselves to adapt successfully to changing military realities.

Key planning considerations for Defence include:

- the new security environment;
- developments in the United States;
- developments in Europe, in NATO and at the UN;
- the international campaign against terrorism;
- technological change and the revolution in military affairs;
- demographics and the changing face of Canada; and
- Budget 2003 and fiscal dynamics.

The New Security Environment

The Cold War is over, but the Canadian Forces' operational tempo has actually increased.

This new reality was evident to many security and defence specialists throughout the 1990s, and made real by events in Rwanda, East Timor, Kosovo, Sierra Leone and elsewhere. For most Canadians, however, the realities of the new security environment became part of our public consciousness on September 11, 2001. The tragic events of that day vividly demonstrated that our prosperity, our security and, possibly, our way of life are particularly threatened by the new security dynamics we face.

These dynamics are characterized by growing asymmetric threats, including the expansion of global terrorist networks and cyber-terrorism, and the proliferation of conventional weapons and weapons of mass destruction. In many regions, terrorism is being fuelled by global income disparities and social and political instabilities exacerbated by corrupt regimes, and growing economic and environmental pressures. At the same time, more and more unstable states and rogue organizations are buying and getting access to high-end conventional weapons. Some state actors and terrorist groups are trying to acquire weapons of mass destruction, while others are building or enhancing missile-delivery systems. We also know that a new generation of horrible weapons could be just around the corner, as knowledge of bio-engineering and the humane genome proliferate.

Many defence and security analysts predict that these pressures will continue to increase in the years ahead. By 2015, it is estimated that the world's population will be 7.2 billion, up from 6.1 billion in the year 2000. More than half the world's population will live in urban centres, and more than 3 billion people will live in countries that could be stressed by water shortages. AIDS will be a major problem, not only in Africa, but in some parts



of Asia. We can expect to see continued degradation of arable land and increased migration.

Taken in isolation, each of these developments is a cause for concern. Taken together, they pose a serious threat to Canada, to the United States, to our NATO allies, and to international peace and security.

Developments in the United States

The events of September 11, 2001, have made a profound impact on perceptions of security in the United States.

The U.S. believes that it is engaged in a war against terrorism. For Americans, the dynamics of this war are chillingly real, and the consequences of failure are immeasurable. The U.S. looks to its allies to fulfil their obligations to collective security and collective defence as articulated respectively in the UN and NATO charters more than 50 years ago.

In response to the threats it faces, the U.S. has undertaken its most far-reaching restructure of government and government operations since the early days of the Cold War. It has drafted and released a new National Security strategy. It is amalgamating 22 departments and agencies to create a super-institution, the Department of Homeland Security. It has over-hauled its military Unified Command Plan, and created a Northern Command. It is inoculating military, civil service, and emergency service personnel across the U.S. against smallpox. It is installing bio-chemical filters at airports and seaports to detect bio-chemical attacks. This is not a complete list of U.S. federal security initiatives; new ones are being announced and implemented almost every day.

These developments are affecting all aspects of Canada's bilateral relationship with the U.S., from border security and law enforcement to intelligence and critical-infrastructure protection, to defence and military co-operation. As part of these efforts, Canada and the U.S. recently announced the creation of a new bi-national military Planning Group located in Colorado Springs to enhance maritime and land co-operation for the defence of North America. The Planning Group will focus on intelligence sharing, surveillance, contingency planning, and joint exercises. It will also support civil emergency-response planning.

The Planning Group represents a significant step forward in Canada-U.S. defence co-operation and clearly benefits both countries. Both countries will face other defence-related issues in the months ahead, including missile defence. Canada is considering matters relating to missile defence with an open mind. In keeping with the policy set out in the 1994 Defence White Paper, the Government of Canada continues its regular, routine consultations on this issue with the United States and other allies, both bilaterally and through NATO. Maintaining a strong defence relationship will continue to be in the interest of both Canada and the United States.



Developments in NATO, in Europe and at the UN

Canada also has an interest in its multilateral relations, particularly with Europe, NATO and the United Nations. Like Canada and the U.S., Canada's other allies and the member nations of the UN are grappling with how best to adapt to the new security environment.

While some questioned the relevance of NATO after the fall of the Berlin Wall, NATO has actually been more activist in the international sphere since the end of the Cold War. It launched peace-support operations in Bosnia-Herzegovina and Kosovo, and it continues to grow, as it prepares to welcome the seven new members invited into the alliance at the Prague Summit last November. NATO also endorsed the Prague Capabilities Commitments to facilitate military transformation efforts, including a joint study into the feasibility of purchasing and sharing strategic-lift assets. Canada supports both these initiatives, and remains a firm supporter of NATO.

At the same time, it is important to recognize that defence relations with Europe and within Europe continue to evolve. The European Union continues to move forward with the European Security and Defence Policy, the aim of which is to develop a European rapid-reaction force. Canada continues to support this initiative as long as it strengthens both the European Union and NATO.

Canada and Defence remain committed to collective security, and continue to work hard to support multilateralism.

The International Campaign against Terrorism

From the outset, Canada has played a major role in the international campaign against terrorism. More than 4,500 Canadian sailors, soldiers and Air Force personnel have participated in *Operation APOLLO*. Canada was the first coalition partner to deploy a naval task group to *Operation ENDURING FREEDOM*. A Canadian commodore is currently commanding the multinational Task Force 151 in the Arabian Gulf and Gulf of Oman.

Canada was also the first coalition partner to deploy an infantry Battalion Group to undertake combat operations alongside U.S. forces in Afghanistan, and Canada remains in that region today. As the Government recently announced, it has committed a battalion group and, possibly, a brigade-level headquarters and other elements to the UN-sanctioned security and peace support mission in Afghanistan, starting in late summer 2003, for two consecutive six-month deployments.

The Afghanistan mission clearly demonstrates Canada's continuing commitment to the campaign against terrorism. It also acknowledges the changes in peace-support operations. Afghanistan is not a traditional peacekeeping mission; it is a dangerous theatre of operations requiring forces that excel in combat and negotiation, yet capable of empathy with and respect for the local population. In short, this mission will require all the skills for which the Canadian Forces are recognized internationally. That said, the new mission will have a considerable impact on the CF, particularly the Army, and its resources over the coming year.



Technological Change and the Revolution in Military Affairs

Another key factor in the Defence planning environment is the rapid pace of technological change, which is producing a revolution in military affairs. Progress in information technologies is creating powerful new ways to improve command and control, increase battlefield awareness, and enhance the ability of the profession of arms to apply force precisely, thus reducing collateral damage—especially civilian casualties—during operations. New technologies also have downstream effects on the organization and conduct of armed forces, reshaping doctrine, tactics and operational concepts.

These developments present the CF and other NATO forces with significant challenges in the area of inter-operability, particularly with the United States.² The United States leads the world in developing new military technologies, concepts and doctrine, and spends more on military research and development than the rest of NATO combined. Keeping pace and maintaining inter-operability with the United States is going to be a major challenge for Defence—a challenge that demands selective investment in future capabilities.

Demographics and the Changing Face of Canada

It is a well-known and unsurprising fact that Defence continues to face demographic pressure. The steady growth of the Canadian economy and the aging of the Canadian population have resulted in lower unemployment and more competition for younger skilled workers. Another important factor is the accompanying change in the values and expectations of young Canadians. The post-“baby boomers” are less likely to seek a lifetime career and more likely to pursue job flexibility, learning opportunities and mobility.

At the same time, the face of Canada is changing. The representation of visible minorities is increasing, not only in the overall population, but specifically in the Canadian workforce.

Recruiting and retention pressures are particularly acute in certain occupations. Several factors contribute to these shortages. First, many of these trades now require higher levels of specialization and, consequently, higher education standards on entry, than they did in the past, so Defence has a smaller pool of potential recruits to choose from. The problem is exacerbated by the high demand for many of the affected trades on operations and in some specialist functions, which brings in the highly influential factors of high operational tempo and competition from other employers.

Given these pressures, Defence must continue its efforts position itself as an employer of choice through a comprehensive strategy to recruit and retain people, enhance learning and professional development, reform military health care, improve management of human resources, and increase diversity and promote inclusiveness in the workforce.

² “Interoperability” is the ability of CF units to work seamlessly with units of other Environmental Commands (i.e., Navy, Army and Air Force), and of the CF as a whole to work with allied armed forces and other federal institutions, other levels of government and non-government agencies.



Budget 2003 and Fiscal Dynamics

Over the past two years, Canada's economy has demonstrated remarkable resilience in the face of global weakness and uncertainty. The Canadian economy outperformed that of the United States in 2001 and 2002, and Canada is expected to be the G7 leader in economic growth in 2003.

Budget 2003 contained several initiatives designed to help stabilize the Defence program. Defence received a baseline increase of \$800 million per year, commencing in 2003–2004,³ and the Minister made a clear commitment to reallocate \$200 million to higher priorities in the department. This combination of government re-investment and departmental reallocations will eliminate the department's sustainability gap and stabilize the Canadian Forces.

The new money will help the Canadian Forces:

- continue to support ongoing recruiting and training programs;
- re-stock spare parts and ease pressure on the defence budget for operational support;
- support and enhance the Reserve Force;
- buy new equipment and modernize certain capabilities;
- address pressing environmental issues, and infrastructure maintenance and replacement needs; and
- ease pressure on Navy, Army and Air Force operations in Canada and abroad.

At the same time, the new funding will also be used (in combination with selected reallocations) to accelerate efforts to lay the groundwork for broader transformation. Government resources are limited, and Defence resources are limited; but transformation is now a strategic imperative. Even with new funding, Defence will have to make difficult, asymmetric choices in moving forward, investing in the capabilities deemed most relevant for the future.

³ The Budget also earmarked \$200 million in contingency funding for 2003–2004, to be held by Treasury Board and the Department of Finance and released as required for specific emergencies.



Section 3: Corporate Priorities

The Department of National Defence, the Canadian Forces, and the other organizations of the Defence portfolio must always deliver on and support operations. Operations executed by the CF and supported by DND and the other Defence organizations represent the core service Defence delivers to Canadians. From search and rescue to counter-terrorism, peace-support operations and war-fighting, Canada's Defence establishment must be prepared to respond to crises at home and abroad in accordance with Government direction and military capabilities.

At the same time, Defence must continue to respond to change and adapt to the new military realities shaping the new security environment. It is in this light that the Defence corporate priorities are set.

Corporate priorities reflect strategic choices. They are not necessarily required for every Capability Program, and need not be linked to a single outcome; indeed, they tend to cut across the Defence portfolio as a whole, and reflect areas that the Minister of National Defence and senior Defence leadership have identified as requiring attention, extra effort and re-investment.

Defence has already made significant progress in laying the foundation for these choices and for transformation. Over the past few years, Defence has conducted a series of studies and internal reviews to identify the key capabilities required for the future. It has examined the revolution in military affairs, studied asymmetric threats, and developed a strategy for the future entitled *Strategy 2020*. It has also moved forward to streamline business practices and focus its priorities on what matters most. The Army and the Navy have both published transformation strategies, and the Air Force is currently developing its strategy.

Furthermore, through the Minister's Defence Update process, Defence has confirmed the soundness of its core strategy for adapting to the new security environment: the primary roles of the Canadian Forces remain valid; Canada continues to need and benefit from professional, multi-purpose combat-capable military forces; and the Canadian Forces of the future will need to be rapidly deployable and inter-operable with Canada's allies, particularly the United States.

At the same time (as the Minister, the Chief of the Defence Staff, parliamentarians and leading defence experts have confirmed), the *status quo* for the Canadian Forces was not sustainable without new funding. The Government listened, agreed, and responded with the \$800-million baseline increase in defence funding in Budget 2003.

With this new funding, Defence is now positioned to accelerate its transformation efforts, and to confirm and update the corporate priorities it established after September 11, 2001. These corporate priorities are:

- responding to the new security environment;
- putting people first;
- optimizing defence and security capabilities;
- ensuring value for money and maximizing management effectiveness; and



- enhancing relationships.

Responding to the New Security Environment

In the days, weeks and months that followed the attacks of September 11, 2001, the Government of Canada made a clear commitment to strengthen public security; enhance defence, border and airport security in co-operation with the United States; and support the international campaign against terrorism.

In Budget 2001, Canada announced measures worth \$7.7 billion over five years to enhance the personal and economic security of Canadians. Of this, the Government increased spending across the Defence portfolio by \$1.2 billion.

This funding was earmarked to support specific new multi-year commitments in three areas:

- contribution to the international campaign against terrorism⁴;
- enhancement of counter-terrorism, intelligence, research and development, and emergency response capabilities; and
- provision of national leadership on critical infrastructure protection and effective emergency management.

In delivering on these priorities, Defence will contribute to the international campaign against terrorism by:

- continuing to support *Operation APOLLO*;
- continuing to support *Operation ENDURING FREEDOM*;
- supporting the International Security Assistance Force (ISAF) and the UN mission in Afghanistan; and
- doubling the capability of Joint Task Force 2 by fall 2005.

To enhance counter-terrorism, intelligence, research and development, and emergency response capabilities, Defence will:

- achieve the initial operating capability of a new dual-use nuclear, biological and chemical defence (NBCD) company, able to support CF operations and civilian first responders, by September 2003;
- achieve the initial enhanced domestic operating capability of the Disaster Assistance Response Team (DART) by September 2003, with full domestic capability in place by fall 2005;
- as part of the Joint Information and Intelligence Fusion Capability project, establish a risk-mitigation strategy team that will “stand up” in summer 2003 to define and develop CF data fusion capabilities in concert with other key transformation initiatives;
- leverage defence science and technology to support counter-terrorism through Defence Research and Development Canada, which is spearheading the Chemical,

⁴ Budget 2003 included \$270 million in fiscal year 2002–2003, including \$100 million to support *Operation APOLLO*. Because of uncertainty in the international situation, it also included contingency funds of \$125 million in 2002–2003 and \$200 million in 2003–2004.



Biological, Radiological, and Nuclear Research and Technology (CBRN) Initiative and building a Counter Terrorism Technology Centre at its research facilities in Suffield, Alberta—the centre’s first component, a Biological Agent Identification Laboratory, to be operational by the end of 2003; and

- continue to enhance Defence’s signals intelligence and computer network defence capabilities and strengthen the Communications Security Establishment’s collection, processing, counter-terrorism and information protection systems.

Defence will also continue providing national leadership on critical infrastructure protection and effective emergency management by:

- continuing the implementation of the National Framework on Critical Infrastructure Protection and Effective Emergency Management, especially its work with partners to implement priority elements of the National Critical Infrastructure Assurance Program; and
- developing a National Exercise Readiness Framework in 2003, and establishing a strong foundation for a Heavy Urban Search and Rescue (HUSAR) national capability in 2003–2004 to enhance the Government of Canada’s readiness and response capacity for national and international emergencies.

Putting People First

The Minister of National Defence, the Department of National Defence, the Canadian Forces, and the other organizations of the Defence portfolio have all made a clear commitment to putting people first. As the Chief of the Defence Staff stated in his 2002 Annual Report, *At a Crossroads*, “Our people are our foundation. They are the bricks and mortar that hold this institution together ... They are also our future.”

With the new funding in Budget 2003, Defence is now in a much stronger financial position to sustain its human resources agenda. Its human resource priorities are to:

- strengthen its capacity to recruit and retain people;
- further develop learning and professional development programs;
- reform military health care;
- improve the management of human resources; and
- increase diversity and promote inclusiveness in the workforce.

To strengthen capacity to recruit and retain people, Defence will:

- continue to renew Canadian Forces recruiting advertisements on television and video, and CF recruiting information aid products;
- improve military recruiting by enhancing selection procedures and training programs;
- develop a multi-year departmental recruitment framework to address shortages of critical competencies in the civilian workforce by spring 2003;
- develop a sustainable, flexible PERSTEMPO policy;
- re-engineer Public Service staffing processes and establishing appropriate staffing service standards by spring 2003,



- lead a review that will improve the provision of public and non-public morale and welfare programs for CF members and their families, such as:
 - fitness,
 - sports and community recreation,
 - family services,
 - retail services,
 - financial services,
 - health promotion, and
 - messes and accommodation for military members;
- develop a departmental strategy for retaining Public Servants by spring 2004;
- develop military career policies by completing the Regular Force Terms of Service and Reserve Force Employment Project and related projects by spring 2005; and
- optimize the military occupational structure by implementing the Military Occupational Structure Analysis, Redesign and Tailoring (MOSART) project by spring 2007;

To further develop learning and professional development, Defence will:

- approve a Competency-Based Management program for senior leaders and civilian executives by spring 2003;
- develop an approved Learning and Professional Development Strategic Framework for civilians by spring 2003;
- complete the Defence Learning Network proof of concept by summer 2003, with full implementation by summer 2004,
- approve the Defence Leadership Development Curriculum for leaders of all levels by spring 2004;
- implement an individual training and education costing model for the CF by spring 2004;
- publish doctrine for the selection, development and assessment of military leaders by spring 2004;
- implement a simplified professional development governance committee structure for the CF by summer 2003;
- achieve full operational capability of the new Canadian Defence Academy by summer 2004; and
- publish the capstone manuals for the Canadian profession of arms and leadership by summer 2004.

To improve human resource management, Defence will:

- approve its civilian human resources reform strategy, funding requirements and action plan for increased human resources accountability and delegation by the fall 2003;
- develop a Performance Measurement Framework for civilian human resources management by summer 2003;



- prepare a succession plan for the departmental civilian management cadre by winter 2004;
- update and implement a performance-measurement framework for military human resources management by 2004;
- develop the military HR Strategic Planning Process; and
- create developmental learning plans, based on Competency-Based Management, for civilian executives by spring 2003.

To increase diversity and promote inclusiveness in the workforce, Defence will:

- approve departmental action strategies to improve employment-equity performance and address specific accountabilities in response to the Perinbam Report⁵ by spring 2004;
- prepare an annual three-year Employment Equity Plan by summer 2003 and report on Employment Equity progress by spring 2004; and
- continue to deliver Human Rights and Harassment Prevention and *Canadian Human Rights Act* awareness training.

Finally, Defence will fully implement Rx2000 health care modernization initiatives by June 1, 2007. Rx2000 will include building a health-care delivery structure that will:

- ensure continuity of care to CF members and other entitled personnel;
- implement an accountability framework for the renewed CF health care system as a single corporate entity under the leadership of the Director General Health Services;
- establish programs for the mitigation of preventable illnesses and injuries, thereby protecting CF members and meeting requirements for DND/CF operations; and
- developing a human-resources network to ensure sustainability of CF health-care services.

Defence is also standardizing protocols for assessment and treatment of operational stress injury and post-traumatic stress disorder, and for outreach and research concerning these illnesses, at each of the Operational Trauma and Stress Support Centres across Canada.

Optimizing Defence and Security Capabilities

Although Budget 2003 clearly provides Defence with substantial re-investment and the funding required to stabilize the Canadian Forces, Defence continues to face tough decisions in the months ahead.

Strong leadership will be needed at every level to optimize defence and security capabilities and successfully implement the top-down transformation of Defence in Canada. The senior leadership of DND and the CF will be required to champion this effort, and to align, synchronize and calibrate the transformation of the Canadian profession of arms in response to the new security environment.

⁵ “Embracing Change in the Federal Public Service,” from the Task Force on the Participation of Visible Minorities in the Federal Public Service.



In the military context, transformation is a process of strategic re-orientation in response to changed circumstances, designed to make substantial changes in the nation's armed forces to ensure their continued effectiveness and relevance. It involves all elements of the Defence portfolio: the Department of National Defence, the Canadian Forces, and the Defence-related agencies. It employs new operational concepts, doctrine, structure and technologies, together with a supportive culture. It is an iterative process, requiring prudent risk-taking, the development, testing and integration of new capabilities, and their refinement and adaptation over time. Transformation is also asymmetric, as capabilities evolve, mature and are integrated into doctrine and operational systems in different ways and at different rates.

In working to optimize defence and security capabilities, Defence's specific focus for 2003-04⁶ will be to lay the groundwork required to:

- accelerate the transformation of the Canadian Forces;
- enhance the Canadian Forces' capability to operate effectively in joint, inter-agency, and multi-national environments;
- review procurement plans to identify areas where funds can be reallocated from lower- to higher-priority projects;
- advance key capital projects; and
- prepare for a possible defence policy review, as directed by the Government.

In this context, the Defence transformation agenda will not seek to re-structure or re-equip the CF completely, but will instead blend existing and emerging systems and structures to create greatly enhanced capabilities relevant to future missions, roles and tasks. It will require difficult choices, however: which concepts and capabilities should we invest in, and which concepts and capabilities should we reduce, reject, discard or eliminate.

As part of these efforts, Defence will increase the capital budget, proceed with acquisitions and upgrades of essential equipment, strengthen Reserve capabilities, and move forward with initiatives such as the Army's ISTAR project (among others), at a cost of up to \$700 million over the next ten years.⁷ It will also continue to explore options for acquiring a strategic-lift capability to be shared with Canada's NATO allies, including the United States.

Ensuring Value for Money and Maximizing Management Effectiveness

The Department of National Defence has made great strides in recent years in its efforts to maximize management effectiveness and ensure value for money in Canadian defence investments. Defence has moved forward to modernize business practices, implement modern business planning and comptrollership practices, and support the Government of Canada's efforts to improve reporting to Parliament and results for Canadians. Defence

⁶ Details on these initiatives will be provided as Ministerial decisions are made.

⁷ ISTAR stands for Intelligence, Surveillance, Target Acquisition and Reconnaissance. ISTAR is a high-technology system that will help transform the Army into a more modern, sophisticated force.



has also worked hard to support innovation, develop new and better processes and systems, and maximize productivity. Defence is Canada's third-largest employer and, like any large organization, it has a continuing need for ways and means to improve efficiency and effectiveness. Just as universities, banks and other government departments have a responsibility to students, shareholders and taxpayers, Defence must ensure good value for the Canadian taxpayer's defence dollar; what's more, it must demonstrate that fiduciary care to Canadians on a continuous basis.

For all these reasons, ensuring value for money and maximizing management effectiveness remain corporate priorities. Therefore, Defence will continue to:

- promote a modern management agenda by
 - enhancing departmental financial and costing models to support decision-making;
 - developing a results-based performance management structure and reporting framework to support improved decision-making by summer 2003;
 - publishing a guide to support continuous improvement during fiscal year 2003–2004;
 - implementing the Financial Information Strategy, modern comptrollership, financial community development framework, and financial and operational information integration systems by spring 2005;
 - continuing to implement procurement reform to support a 30-percent schedule reduction in the departmental capital acquisition process; and
 - beginning the optimization of the materiel acquisition support process to achieve \$45 million in continuing annual savings in three years.
- implementing a new information-management strategy and governance structure through the IM Review Implementation Project, and moving to an enterprise model of information management by spring 2004; and
- improve internal communications by
 - integrating internal communications into national strategic communications planning and program delivery on an ongoing basis;
 - developing and delivering an internal communications training module for leaders by spring 2003; and
 - supporting communities of interest within Defence through the development of selected internal communications distribution lists by winter 2004.

In addition to these high-priority activities, the department will also support the Minister's recently announced an Advisory Committee on Administrative Efficiency.

The Minister of National Defence has made a clear commitment to finding \$200 million to reallocate to higher priorities. As part of this effort, the four experts of the Advisory Committee, who are widely experienced in private- and public-sector administration, management and restructuring, will advise him on:

- any issue of administrative efficiency, broadly defined, within DND and the CF; and
- DND's material acquisition and procurement process.

Although this committee will not identify all the re-allocations directed by the Minister, it will contribute to achieving the Minister's objective. The committee will report directly



to the Minister. A small team of departmental officials will report to the committee and provide it with direct secretarial and advisory support services. The committee is expected to complete its work and report to the Minister by the end of summer 2003, although it is free to bring forward any ideas and recommendations on improving administrative efficiencies to the Minister before its reporting date.

Enhancing Relationships

A fundamental tenet of current Canadian defence strategy is that our defence and security require strong, effective partnerships between Canada and its allies, the Defence portfolio and its stakeholders, between DND and other government departments and agencies, and between the federal government and Canada's provinces, territories, municipalities and private sector. Partnerships are essential because they make it possible for organizations to share ideas, build on each other's strengths and collaborate to overcome shared challenges based on mutual interests.

Defence is committed to building stronger partnerships and enhancing relationships. Priority areas of activity include:

- strengthening defence and security arrangements in North America;
- promoting other key international defence and security relationships;
- expanding strategic partnerships with other levels of government in Canada and with the private sector; and
- continuing to improve external communications.

Strengthening Defence and Security Arrangements in North America

Since September 11, 2001, Canada and the United States have worked closely together to enhance continental security through better intelligence sharing, NORAD, and co-operation between civilian agencies. In fiscal year 2003–2004, a joint and combined exercise program will be incorporated into the Strategic Collective Training Plan to strengthen defence and security arrangements in North America.

In December 2002, Canada and the United States also announced the creation of a new bi-national military Planning Group to help prevent terrorist attacks and save lives by improving the co-ordination of Canadian and U.S. maritime surveillance, intelligence sharing and threat assessment. It will also prepare contingency plans and assist in the co-ordination of responses to any terrorist attack or major natural disaster that might occur. The Planning Group is co-located with NORAD Headquarters in Colorado Springs, Colorado, and headed by a Canadian Lieutenant-General.

The Planning Group is clearly a significant and positive development for both countries; however, many defence and security issues must be addressed in the months ahead. To this end, enhancing security and defence co-operation with the U.S. will remain an over-arching priority for the planning period.

Key planned activities include:



- contributing as required, and with information based on developments, to Canadian positions on Canada-U.S. defence issues, including Homeland Defence, Missile Defence, space, and the future of NORAD;
- determining within the next two years, and in consultation with the U.S. government, whether to renew, modify or terminate Canada's involvement in the Planning Group;
- monitoring developments with respect to the U.S. Unified Command Plan, the new U.S. National Security Strategy and the international campaign against terrorism, and advising the Government of Canada as required.

Promoting Other Key International Defence and Security Relationships

Although the U.S. is clearly Canada's most important ally, Canada maintains a strategic national interest in multilateralism and a rules-based regime of international governance. Canada remains committed to collective security, NATO, and the United Nations.

To continue to promote its broader international defence and security relationships, Defence will:

- develop strategies for enhancing bilateral relationships on critical infrastructure protection with certain European and Asia-Pacific countries and organizations by spring 2003;
- continue to assist in the development of a follow-on program for the NATO Prague Capabilities Commitments announced at the Prague Summit in November 2002;
- work with DFAIT to ensure a smooth transition for the nations invited to join NATO at the Prague Summit, and the creation and implementation of the NATO Response Force;
- in collaboration with DFAIT, establish bilateral mechanisms for consulting with the European Union on security and defence co-operation;
- contribute to the preparation of the 2003 NATO Defence Planning Questionnaire and participate in trilateral and multilateral talks with the aim of confirming Canada's NATO contributions for 2004–2009;
- assist in the completion and review of the 2003 NATO Force Proposals and Force Goals to finalize those assigned to Canada for the 2004–2009 period;
- contribute to the Government's position on nuclear issues by working on NATO nuclear policy and broader nuclear arms-control issues, and advance them in consultation with DFAIT;
- implement NATO interoperability doctrine and procedures by summer 2004;
- continue to strengthen bilateral defence relations with certain countries in Asia, Latin America and elsewhere, including (but not limited to) China, Japan, South Korea, Australia, New Zealand, India, Pakistan, Mexico and Brazil; and
- contribute to the system development and demonstration phase of the Joint Strike Fighter (JSF) Program.



Expanding Strategic Partnerships and Improving External Communications

Defence is also committed to improving the effectiveness of partnerships within Canada, particularly with public security stakeholders; industry; provincial, territorial and municipal governments; first responders; and other federal government organizations engaged in national security and homeland security issues. Although the focus is on Canadian partnerships, the interdependent nature of these issues means that some partnerships will also touch on external relations.

Key initiatives in this area include:

- working with all levels of government in Canada, non-governmental organizations, academia, and private-sector organizations, as well as foreign governments and international organizations, to enhance co-operation and collaboration on critical infrastructure protection and emergency management initiatives;
- continuing to play a lead role in the development of the Federal Innovation Networks of Excellence (FINE), including the development and implementation of a new vision, governance and delivery for government science initiatives;
- contributing to the Government's broader Innovation Strategy;
- continuing to work with other federal science-based departments and agencies and with allied nations to promote Canadian defence science and technology;
- strengthening materiel acquisition and support alliances with the private sector by strengthening and continuing to implement key domestic and international public- and private-sector alliances for the provision of end-to-end Materiel Acquisition and support to leverage defence capabilities;
- establishing a small National Defence Public Affairs Office in Washington, D.C., co-located with the Canadian embassy and the Canadian Defence Liaison Office, to support Public Affairs Outreach in the United States; and
- laying the groundwork for a Canadian Public Affairs centre of excellence.



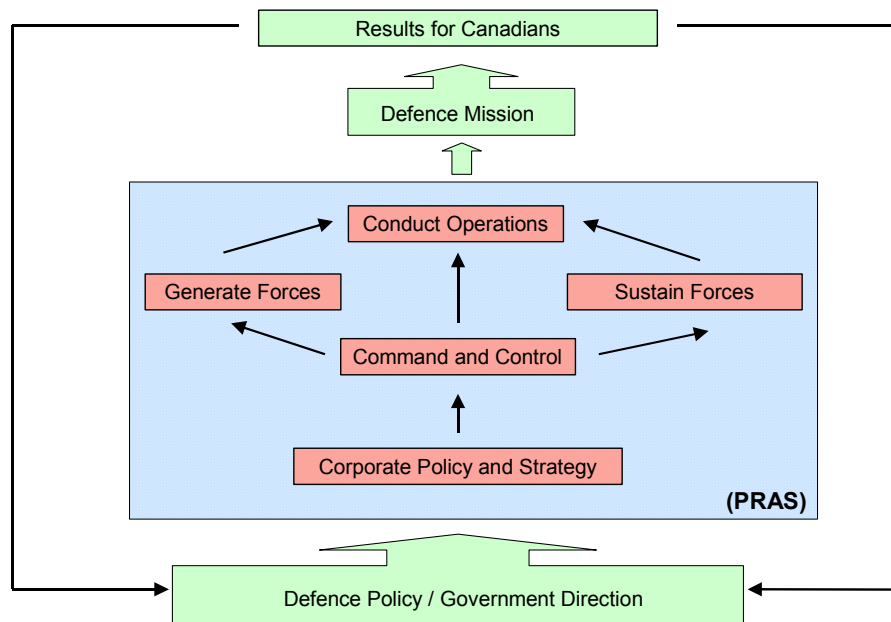
Section 4: Program Planning Overview

To deliver results for Canadians, Defence uses the same capabilities across the domestic, continental and international aspects of its mandate. In many areas, the same people, infrastructure, training and equipment systems are used to support domestic and foreign operations. The Canadian Forces disaster assistance response team (DART) and counter-terrorism unit (Joint Task Force 2), for example, can deploy anywhere in the world.

Planning, Reporting and Accountability Structure

Defence delivers its services through five Capability Programs: Conduct Operations, Sustain Forces, Generate Forces, Command and Control, and Corporate Policy and Strategy. (In September 2001, the Treasury Board of Canada approved the current Planning, Reporting and Accountability Structure (PRAS), which marked a shift in the Defence resource planning, allocation and reporting structure from eight “service lines.”) The Capability Programs represent the core functions performed by DND, the CF and the other organizations of the Defence portfolio to achieve results for Canadians through the Defence mission. The information set out in this Report on Plans and Priorities is organized by Capability Program to clarify the link between resources and results. The following chart shows how the Capability Programs are linked.

Strategic Linkages Between Capability Programs



The PRAS can be found at: www.vcds.dnd.ca/dgsp/publications/pras_2001_e.doc.

The PRAS (Capability Programs), delivered through the Defence Plan (DP) On-line (formerly the Defence Plan and Defence Planning Guidance), is the internal DND/CF Business Plan for execution in the current fiscal year, and the planning guidance for the subsequent three years. It assigns tasks and initiatives to senior managers, describes



horizontal priorities, displays high-level force structure, and indicates resource allocations.

DP On-line is found at: http://www.vcds.forces.gc.ca/dgsp/pubs/dplan/intro_e.asp

Conduct Operations

The ability to conduct operations effectively is critical to DND and the CF, for operations are their most visible way to make a difference and contribute to the protection of Canadian interests and values at home and abroad. “Operations” include the following activities:

- surveillance and control;
- search and rescue;
- humanitarian assistance;
- aid to the civil power;
- evacuation of Canadians;
- assistance to other government departments;
- UN operations;
- defence of North America; and
- international security, including Canada’s commitments to NATO.

Planned Result (Strategic Outcome)

The ability to employ the range of military capabilities required to achieve assigned missions, when and where directed.

Performance Measurement Areas

- Meet readiness levels
- Meet domestic obligations
- Meet international obligations
- Ability to deploy for operations
- Meet capability requirements
- Ability to sustain operations

Resources

CONDUCT OPERATIONS: TOTAL PLANNED SPENDING NET OF REVENUES				
	Forecast Spending 2002–03	Planned Spending 2003–04	Planned Spending 2004–05	Planned Spending 2005–06
Capability Spending (\$ thousands)	4,005,359	4,214,773	4,074,488	3,980,003
Military FTEs	19,082	19,810	19,910	20,110
Civilian FTEs	400	398	398	398

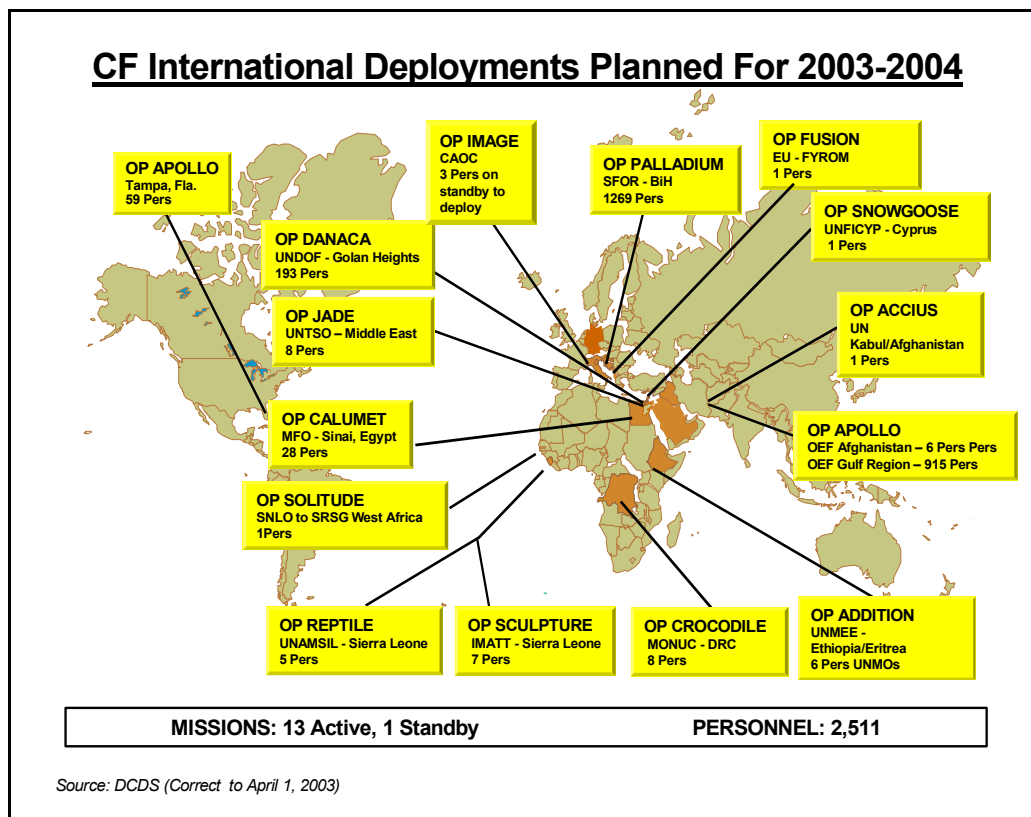


Plans

International Operations

As illustrated in the map below, the CF is planning to deploy internationally on 11 active missions and one standby mission (see Annex A for a detailed description of each mission except *Operation ATHENA*, the participation in the International Security Assistance Force in Afghanistan, which was still in development at time of writing). A total of about 2,500 CF members will be deployed on these missions (not including *Op ATHENA*). Resources allocated to each operation are detailed in Annex B.

Depending on Government direction, the CF could be deployed elsewhere in the world, as well as to the sites of these missions.



Domestic Operations

Surveillance and Control of Canadian territory

The CF is responsible for the monitoring, control and protection of Canadian approaches and territory. During 2003–2004, the CF plans to:

- maintain a “ready duty” ship and a Maritime Operations Centre operating 24 hours per day, seven days per week, on each coast.



- assist federal Canadian law-enforcement agencies (especially the RCMP and the Canada Customs and Revenue Agency) and U.S. government agencies by sharing the Recognized Maritime Picture with them; and
- in accordance with the NORAD Agreement, maintain fighter aircraft in high-readiness status for immediate employment in support of ongoing commitments.

Search and Rescue (SAR)

The CF expects the trend in SAR incidents established in recent years to continue, and will therefore maintain its SAR resources at levels appropriate for that level of activity. For detailed information on SAR, see the National Search and Rescue Secretariat and National Search and Rescue Program in Section 5.

Assistance to Other Government Departments and Humanitarian Assistance

The CF plans to assist other government departments by providing support for efforts such as ground and maritime search-and-rescue, drug-interdiction operations, disaster relief, law-enforcement operations, and cultural events. Specifically for 2003–2004, the CF will provide 125 days of fisheries patrolling in Atlantic waters in support of the Department of Fisheries & Oceans (DFO). In addition, the DART will maintain its capability to deploy within 48 hours and sustain up to 40 days.

Aid of the Civil Power

The CF will respond to Government direction on Aid of the civil power pursuant to Section 275 of the *National Defence Act*.

Support to Major International Events

The CF will provide support to major international events as required. No such events are planned for fiscal 2003–2004.

Evacuation of Canadians

The CF will maintain the capability of assisting in the evacuation of non-combatant Canadians from foreign nations. This task includes maintaining an Army element on three days' notice to move with an independent 15-day sustainment capability.

Generate Forces

Generate Forces comprises the general support functions that provide DND and the CF with the personnel, equipment and organizational structures needed to recruit, train and deploy multipurpose, combat-capable maritime, land and air forces. This Capability Program includes: meeting readiness levels, recruiting, training, retention, equipment modernization and mobilization.



Planned Result (Strategic Outcome)

The ability to recruit and train personnel; research, test, and procure equipment; and design force structure to produce multipurpose, combat-capable military forces.

Performance Measurement Areas

- Meet readiness levels related to force generation
- Extent of recruitment
- Extent of training and employment
- Extent of modernization
- Ability to mobilize

Resources

GENERATE FORCES: TOTAL PLANNED SPENDING NET OF REVENUES				
	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Capability Spending (\$ thousands)	1,895,812	2,047,910	2,179,418	2,313,153
Military FTEs	13,593	13,466	13,466	13,466
Civilian FTEs	3,491	3,487	3,487	3,487

Plans

Full-Time Equivalents (FTEs) for DND and the CF are detailed by Capability Program in Section 6.

Meeting Readiness Levels

CF personnel levels will be maintained according to the following priorities established for 2003–2004:

- deployed forces, international commitments outside Canada and selected high-readiness units: **100%**;
- critical sustaining and change activities: **98%**;
- education, training and career management: **96%**;
- operational units: **92%**;
- support to Reserves: **90%**; and
- all other positions: **85%**.

The forecast for Trained Effective Strength (Regular Force) for the next three fiscal years is as follows:

- 2003–2004: **52,950**;
- 2004–2005: **53,375**; and
- 2005–2006: **53,700**.



Recruiting, Training, and Retention

Military Workforce

The intake forecast for the next three fiscal years is as follows:

- 2003–2004: **4,400**;
- 2004–2005: **4,390**; and
- 2005–2006: **4,375**.

The attrition forecast for the next three fiscal years is as follows:

- 2003–2004: **4,210**;
- 2004–2005: **4,214**; and
- 2005–2006: **4,075**.

A retention intervention process has been developed to examine military occupations that are experiencing higher than average attrition rates.

As a result of infrastructure limitations, among other issues, training for 2003–2004 is expected to be capped at just under 700,000 student days, not including Out of Service Training, and the number of CF members awaiting training will remain higher than average, despite initiatives such as contracting out to community colleges. The total should decline from the levels maintained in fiscal 2002–2003, however.

Civilian Workforce

Planned recruitment is based on the estimated rate of departure. The recruitment forecast for the next three fiscal years is as follows:

- 2003–2004: **820**;
- 2004–2005: **920**; and
- 2005–2006: **1,020**.

The departure rates anticipated for the next three fiscal years are as follows:

- 2003–2004: **4.1%**;
- 2004–2005: **4.7%**; and
- 2005–2006: **5.1%**.

Defence Research and Development

For detailed information on defence research and development (R&D), see “Defence Research and Development Canada” in Section 5.

Modernizing Equipment

DND will continue to strengthen its capital equipment program. The list of key major projects is to be found at: www.vcds.forces.gc.ca/dgsp/dfppc/pubs/dpr/intro_e.htm.



Mobilization Capability

Mobilization capability is provided according to the Departmental Mobilization Doctrine. The Reserve Forces have a role to play in mobilization, and they are discussed in detail in Section 5.

Sustain Forces

DND and the CF must be able to sustain the people, equipment, and infrastructure needed to carry out operations and to fulfill operational requirements over time. Sustain Forces focuses on ensuring the continued employment of military forces. This Capability Program includes: logistical support to operations, equipment maintenance, management of DND realty assets, and support to the health and well-being of CF members.

Planned Result (Strategic Outcome)

The ability to repair and maintain equipment, shelter and sustain personnel, and produce the infrastructure and capabilities necessary for the conduct of military operations.

Performance Measurement Areas

- Ability to sustain operations
- Meet materiel and logistical support requirements
- Appropriate realty asset management
- Meet health and well-being requirements of CF members

Resources

SUSTAIN FORCES: TOTAL PLANNED SPENDING NET OF REVENUES				
	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Capability Spending (\$ thousands)	4,717,475	4,987,119	5,002,734	5,114,553
Military FTEs	21,766	21,854	21,854	21,854
Civilian FTEs	13,454	13,435	13,435	13,435

Plans

Logistical Support to Operations

DND and the CF will continue to provide logistical support to operations, and carry out two key projects: sea containers and the Canadian Forces Contractor Augmentation Program (CANCAP).

Equipment and Infrastructure Maintenance

DND has successfully implemented the Financial Information Strategy (FIS), meeting the deadlines set by the Treasury Board. In July 2002, the first set of Financial Statements based on accrual accounting principles was published. DND recognizes that this change will provide better information for internal decision-making and more effective reporting to Parliament.



Building on this initiative, DND has moved ahead to provide Parliament with better information on major acquisition programs and their life-cycle costs. In the past, the cost-information given in major acquisition projects was based on direct acquisition costs, including project management and specific ongoing support. In future, DND will provide sufficient cost information, as it becomes available, to report all costs associated with acquiring and maintaining a capability. These costs include: infrastructure to protect the investment, average operating costs on the basis of usage, and changes to original projections due to changing circumstances. The following examples indicate progress to date.

- The cost of acquiring 15 CH-149 Cormorant helicopters, complete with direct support for their first two years in service, was \$779 million. Twelve of the 15 Cormorants have been received, and the remaining three will be delivered by mid-2003. DND has identified a need to invest \$20 million in infrastructure to protect this investment. Support costs have been calculated at \$10,400 per flying hour (based on initial data), compared with \$10,700 for the CH-113 Labrador, now being phased out of service. The capability enhancement provided is amply demonstrated by several recent life-saving rescues on Canada's east and west coasts.
- Of the 651 Mark III Light Armoured Vehicles (LAV IIIs) purchased for \$2.2 billion, 543 have been delivered; the remaining 108 vehicles are variants designed for specialized tasks, and they will be delivered within the next two years. The estimated annual support cost for the LAV fleet is \$70 million. Although the LAV IIIs and variants cost about twice as much as the vehicles they are replacing, they deliver significant advances in firepower, mobility and protection, and provide the Army with a crucial general-purpose combat capability. To preserve the operational effectiveness of this fleet over its expected 30-year life, DND plans to invest \$134 million in new, renovated and austere infrastructure.
- The price of the four *Victoria*-class submarines acquired from Britain in 1998 came to \$750 million. Three of the four boats have been delivered, and the fourth is expected to arrive in 2003. Until a domestic support capability is fully developed, support requirements have largely been contracted out to the British builder, BAE Systems. The support contract was let in 1998 for a six-year term; however, due to unforeseen requirements, amendments to that contract may be required. As a vital component of Canada's Navy, the *Victoria*-class submarines will engage in tasks ranging from operations abroad under the auspices of the UN and NATO, to supporting fisheries patrols and drug interdiction at home.

Realty Assets and Canadian Forces Housing Agency

Although full development of the Realty Asset Planning Strategy (RAPS)—a 20- to 30-year projection of expenditures—will not be achieved during 2003–2004, DND will have an expenditure plan in place for large strategic projects in the course of the fiscal year that includes longer-term (5 to 15 years) pre-commitments of funding. This will be in addition to the five-year commitments in replacement construction (projects over \$1 million) that is reviewed and approved annually, and co-ordinated with the developing longer-term RAPS.



The department will commit to a 10% reduction in its inventory of realty asset holdings by 2005. On the basis of perceived performance to date, and recognizing that existing facilities can be consolidated and disposed of only after new construction is completed; the 10-percent reduction target will probably be achieved. There will, however, be a delay in the actual disposal of surplus realty asset holdings, which typically requires more time than acquisition.

In compliance with industry standard, a target of 2% of realty replacement cost has been set for repair and maintenance of realty assets, and a target of 2% of realty replacement cost has been set for recapitalization of realty assets.

During fiscal 2003–2004, the Canadian Forces Housing Agency (CFHA) will focus on creating a suitable portfolio:

- **Adequate Maintenance:** Married Quarters (MQs) will be maintained to a standard that will ensure the health and safety of occupants.
- **Renovation:** It is estimated that 2,900 MQs will be renovated to improve the standard of accommodations.
- **Disposal:** The inventory will be reduced by 1,193 units.
- **Site-Planning Model and Site-Specific Reviews:** A site-planning model has been developed to satisfy housing requirements. Seven site-specific reviews are planned for 2003–2004.

Health and Well-being

This topic is discussed in Section 3 under the title “Putting People First”.

Information Management and Information Technology

Defence will maintain its IM/IT infrastructure, radio communications infrastructure, messaging systems, and other national systems and databases at target levels of availability.

Command and Control

The Command and Control capability is required for the following functions:

- to provide leadership and clear direction to military operations and the force-generation and force-sustainment elements of DND,
- to present options for military action to accomplish government policy as situations arise, and
- to liaise with other government departments and the headquarters of allied nations and coalition formations.

Comprising Command, Control and Communications (C3) and Intelligence, this capability includes DND assessment of developments around the world, and advice to government based on timely access to information and independent appraisals conducted in preparation for any CF commitment.



Planned Result (Strategic Outcome)

The ability to collect, analyze and communicate information, plan and co-ordinate operations, and provide the capabilities required to direct forces to achieve assigned missions.

Performance Measurement Areas

- Meet readiness levels for command, communications, and intelligence
- Meet capability requirements for command, communications, and intelligence
- Confidence in leadership

Resources

COMMAND AND CONTROL: TOTAL PLANNED SPENDING (NET OF REVENUES)				
	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Capability Spending (\$ thousands)	1,427,628	1,413,302	1,479,778	1,469,814
Military FTEs	6,047	6,072	6,072	6,072
Civilian FTEs	2,208	2,204	2,204	2,204

Plans

Command, Control and Communications

Readiness and capability requirements will be met by:

- maintaining focus and efforts of the command and control of deployed missions;
- developing options for command and control concepts and structures that will provide coherent direction needed for interoperability of the CF;
- continuing the development of concepts and projects to enhance situational awareness to support command and control of deployments and contingencies;
- conducting a study to implement a refined CF command and control structure by 2005;
- ensuring that IM/IT systems are accessible and capable of meeting the requirements of operational headquarters, especially in C4ISR interoperability; and
- maintaining the Classified Realm at target levels of availability.

Intelligence

The intelligence function entails:

- DND and the CF generating intelligence, not only for its own use, but also for the use of other departments and agencies of the Government of Canada, other levels of government in Canada, and allied nations. In turn, DND and the CF will use intelligence generated by and received from those sources;



- the Signals Intelligence and National Cryptographic Program, which is delivered by the Communications Security Establishment (see Section 5); and
- an internal review of the Intelligence function that was expected to release its recommendations in 2002 and is now to be linked to a larger interdepartmental intelligence program analysis arising from the asymmetric threat and homeland defence requirements.

Leadership

Leadership is the key to delivering this Capability Program. During 2003–2004, Defence professionalism regarding confidence in the leadership will be enhanced through the following initiatives and activities:

- publication of the *CF Leadership Manual* and the *Profession of Arms Manual*;
- validation of the core curriculum of the Royal Military College and adjustments to Officer Professional Military Education;
- delivery of research outputs from the Canadian Forces Leadership Institute;
- re-establishment of the Centre for National Security Studies; and
- entrenchment of the ethical principles identified by the Defence Ethics Program in all keystone manuals and research outputs.

The following activities are planned for 2003–2004 to promote and deliver learning regarding confidence in leadership:

- by the end of 2004, establish the following programs: the advanced leadership qualification for non-commissioned members, the qualifying course for Chief Warrant Officers and Chief Petty Officers 1st Class, and the Senior Appointments Course;
- eliminate the backlog in Phase 2 and Phase 3 of the NCM Development Program by 2006;
- establish national and international equivalencies for all professional development programs, commence validation of the program, and rationalize professional development programs across Defence;
- complete the implementation of the Enhanced Leadership Model by April 2005;
- boost participation in the Officer Professional Military Education program by increasing the number of billets;
- integrate ethics training into all CF-wide training and education programs; and
- Conduct a rationalization of the Personal Enhancement Program so that the new framework can be implemented by spring 2004.

Corporate Policy and Strategy

The Corporate Policy and Strategy capability is broad in scope, comprehensive in character, and highly illustrative of DND/CF compliance with legislative, managerial and administrative requirements. This capability comprises the provision of policy advice to government, security arrangements, governance and management, and support for government objectives.



Planned Result (Strategic Outcome)

The ability to produce and implement corporate policies and strategies to achieve broad government objectives, manage departmental activities, and provide defence and security advice.

Performance Measurement Areas

- Meet budget and resource-allocation goals
- Appropriate governance and management mechanisms
- Defence culture reflects Canadian values and expectations
- Meet international obligations
- Meet domestic obligations
- Meet mandated programs requirements
- Meet environmental stewardship requirements

Resources

CORPORATE POLICY AND STRATEGY: TOTAL PLANNED SPENDING (NET OF REVENUES)				
	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Capability Spending (\$ thousands)	403,564	402,396	431,797	425,292
Military FTEs	944	948	948	948
Civilian FTEs	1,107	1,106	1,106	1,106

Plans

Advisory Capacity

DND in its advisory role will provide defence policy and assessment, engage in security arrangements and partnerships (including R&D Partnering), and participate in legislative initiatives to amend the *Canadian Forces Superannuation Act*, the *Emergency Preparedness Act* and the *National Defence Act*.

Governance and Modern Management

Resource and Financial Management

Resource and financial management information regarding resource allocations for FY 2003-04 are detailed in Section 6.

Performance Management

Continue to implement a pilot project for the implementation of a strategic-level performance-management regime based on the “Balanced Scorecard” concept, to be used to support decision-making processes by guiding management focus and the allocation of resources. This project is still in the early stages of development, and progress will be evolutionary and iterative in nature. For more details, see Section 1.



Information Management and Information Technology (IM/IT)

Defence will ensure that IM/IT strategy and policy develop toward a target IM/IT environment designed to meet future needs, and to ensure compliance with direction on Internet providers and system security.

National Procurement (NP)

The NP Planning and Management Process is currently under review, with the primary objective of developing and implementing an NP Process that is more suitable to the current environment.

Human-Resources Management

Military Workforce

- **Policy Framework:** Reinvest in the rejuvenation of military human resources policies.
- **Official Languages:** DND is working on initiatives to achieve a substantial improvement in official-languages performance of the Canadian Forces.
- **Employment Equity:** representation goals for 2003–2004 to 2005–2006 are as follows:
 - women: **28%**,
 - Aboriginal peoples: **3%**,
 - visible minorities: **9%**, and
 - persons with disabilities: **3%**.

Civilian Workforce

- **Management:** In 2003–2004, the following activities and initiatives will be emphasized:
 - rebuild internal capacity to conduct Classification Renewal;
 - implement internal initiatives to modernize Human Resources Management processes and develop automated tools to improve the quality and speed of service delivery;
 - update the Human Resources Management Delegation Framework;
 - update and simplify a suite of policies to ensure a coherent, consistent, cohesive approach to Human Resources Management; and
 - develop an Action Plan to follow up on the results of the Public Service Employee Survey.
- **Official Languages:** All Public Servants in the Executive category are expected to meet the CBC requirements in 2003–2004.
- **Employment Equity:**

EMPLOYMENT EQUITY GROUP	REPRESENTATION IN 2002–03	REPRESENTATION TARGET FOR 2005–06*
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Women	6,524	6845
Persons with disabilities	940	1119
Aboriginal peoples	393	409
Visible minorities	634	942
Notes: Source: ADM (HR–Civ) * The new Labour Market Availability figures to be derived from the 2001 National Census are expected to change DND representational targets over the next three years.		

Environmental Stewardship

Defence will be implementing programs and policies and undertaking actions that are required to achieve the commitments established in the Sustainable Development Strategy, *SDS 2000*, in which the Defence strategic environmental priorities are set out. DND will be developing the next Sustainable Development Strategy in 2003. For details of the Sustainable Development Strategy, visit:

http://borden.mil.ca/cfstg_ehs/PPP_sds_e.htm.

Materiel Management, Procurement, and Contracting

For details of material management, procurement and contracting, visit:

http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/rpp_e.asp

Audit and Evaluation

For the audit and evaluation work plan, visit:

http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/rpp_e.asp

Access to Information and Privacy

In 2002, the Federal Information Commissioner's annual "report card" gave DND a B for completing **90.9%** of all its Access to Information requests for that year on time. The goal for 2003 is to maintain the B at least, and preferably to earn an A.

Safety

General Safety

Defence will continue implementation of the General Safety Program. Specific activities planned for 2003–2004 include:

- respond to the internal evaluation of the General Safety Program;
- conduct compliance, hazard-identification and risk-assessment training as required under the *Canada Labour Code* to ensure that managers and supervisors are fully trained by the end of 2003.
- produce guidance and issue a policy on hazard identification and risk assessment;
- strengthen the "safety synergy" between the 11 safety programs operating in Defence.



Nuclear Safety

The Minister is responsible for establishing and monitoring an effective, credible and realistic self-regulatory regime for the control and safe use of ionizing radiation sources in DND and the CF. The Risk Based Control (RBC) Regime is intended to ensure that DND/CF activities are undertaken and managed with due consideration for risk versus adequate control, safety measures and effort. In 2003–2004, Defence will implement successive phases of the nuclear safety RBC regime.

Defence Ethics Program (DEP)

The DEP has made the transition from central program management to a more broad-based “ownership” approach. The DEP’s main activity for 2003-2004 will be to become institutionalized across DND and the CF. In 2003, a survey on ethical decision-making in DND and the CF will be conducted, and the analysis of its findings will contribute to the establishment of program goals for the next cycle of the DEP. Efforts will also focus on the development of further tools, information and training to assist in the detailed implementation of the DEP throughout Defence.

Public Information and Outreach

The Security and Defence Forum (SDF) Program: Defence plans to hold a one-day meeting with members of the SDF community that will include high-level briefings on defence issues, a field excursion to NATO’s small SDF annual conference that could be used for the following purposes:

- to support the Defence Review,
- to prepare an annual report on the overall program,
- to co-ordinate a field excursion to NATO, and
- for a variety of related activities that would foster the partnership between Defence and Canadian scholars studying security and defence issues.

Management and oversight of the SDF Program will continue to improve through the newly implemented results-based management accountability framework.



Priorities Related to Capability Programs

The following table cross-references Defence Corporate Priorities and associated initiatives described in Section 3 with the associated Capability Programs described in Section 4. The link between Priorities and initiatives and Capability Programs means that high-level performance measurement and resource information for the Priorities and initiatives is captured through the Capability Programs.

DEFENCE CORPORATE PRIORITIES AND RELATED INITIATIVES	CAPABILITY PROGRAMS				
	CONDUCT OPERATIONS	GENERATE FORCES	SUSTAIN FORCES	COMMAND AND CONTROL	CORPORATE POLICY & STRATEGY
Responding to the New Security Environment					
• Contribute to the international coalition against terrorism	◆	◆	◆	◆	
• Enhance counter-terrorism, intelligence, R&D and emergency-response capabilities	◆	◆			
• Provide national leadership on critical infrastructure protection and effective emergency management					◆
Putting People First					
• Strengthen our capacity to recruit and retain people		◆			
• Further develop learning and development programs		◆			◆
• Reform military health care			◆		
• Improve human resource management		◆	◆		◆
• Increase diversity and promote inclusiveness					◆
Optimizing Defence and Security Capabilities					
• Accelerate Defence transformation	◆	◆	◆	◆	◆
• Enhance capability to operate in joint, inter-agency and multinational environments	◆	◆	◆	◆	
• Review capability investment/procurement plans		◆			
• Advance key capital projects	◆	◆	◆	◆	
• Prepare and conduct defence policy review, as directed by Government	◆	◆	◆	◆	◆
Ensuring Value for Money and Maximizing Management Effectiveness					
• Promote modern management agenda		◆			◆
• Implement new IM strategy and governance structure				◆	◆
• Improve internal communications					◆
Enhancing Relationships					
• Strengthen defence and security arrangements in North America	◆	◆		◆	◆
• Promote other key international defence and security relationships		◆			◆
• Expand strategic partnerships with other levels of government in Canada and the private sector			◆		
• Improve external communications					◆



Section 5: Selected Defence Portfolio Organizations

Office of Critical Infrastructure Protection and Emergency Preparedness

The Office of Critical Infrastructure Protection and Emergency Preparedness (OC�PEP) was created in February 2001 to provide national leadership in developing and implementing a comprehensive approach to protect Canada's critical infrastructure and to act as the government's primary agency for ensuring national civil emergency preparedness for all types of emergencies. Its mission is to enhance the safety and security of Canadians in their physical and cyber environment. Its vision is a safer, more secure Canada.

The Government of Canada approved a National Framework on Critical Infrastructure Protection and Effective Emergency Management in August 2001. This framework comprises the following five pillars that support OC�PEP in its co-operation with other departments and agencies:

- contributing to putting the Government of Canada's infrastructure and emergency-management house in order;
- enhancing, building and creating sustainable partnerships;
- implementing effective programs that target needs in areas such as awareness, training and education, financial assistance, research and development;
- enhancing national operational capabilities; and
- strengthening the existing policy framework.

Within this National Framework, OC�PEP's efforts are focused on maintaining an effective national emergency management system and enhancing the assurance of resilience and viability of national critical infrastructure, which includes the key physical and cyber components of the energy, transportation, communications, services, health safety and government sectors.

Federal Budget 2001 provided OC�PEP with significant new resources to assist the Office in meeting its critical infrastructure protection/emergency management challenges and to contribute to the government's multi-departmental response to the chemical, biological, radiological and nuclear (CBRN) threat.

Risks and Challenges

Recent events such as the Code Red virus, the Simple Network Management Protocol (SNMP) virus and the "slammer worm" cyber event, as well as the terrorist attacks on the United States in 2001, are evidence of an increasingly complex and serious threat environment. These events created a greater sense of urgency to enhance Canada's ability to deal with the full range of hazards and threats to the well-being of Canadians, such as increasing frequency of severe storms, devastating earthquakes, terrorist attacks, and the damaging effects of critical infrastructure disruptions to individuals, governments and businesses.



Resources

OCIPEP PROGRAM ESTIMATES (\$ THOUSANDS)				
	Forecast 2002-03	Planned 2003-04	Planned 2004-05	Planned 2005-06
FTEs	250	285	285	285
Salaries	\$15,028	\$19,253	\$19,253	\$19,253
Operating Expenses	25,902	22,189	22,182	22,361
Capital Expenses	787	454	460	467
Grants and Contributions	20,584	210,891	8,943	8,991
Totals	\$62,301	\$252,787	\$50,838	\$51,072

Note: Grants and Contributions for FY 2002–03 include an estimated requirement of \$4.145 million under the Disaster Financial Assistance Arrangements (DFAA). A further \$200 million in DFAA funding is planned for 2003–04, but is not forecast for years further in the future because disaster relief funding is provided only one year in advance.

Performance Measurement Areas

OCIPEP's performance will be measured in terms of both the range and extent of its interactions with stakeholders – including but not restricted to various levels of government in Canada and abroad, as well as the private sector, academia and international organizations – and in terms of its ability to develop and implement various policies, programs, tools, exercises and training packages to assist employees and OCIPEP stakeholders in meeting their shared responsibilities for CIP/EM.

Priorities

Given its mandate, and in recognition of the current threat and risk environment, OCIPEP's key priorities are as follows:

- Strengthen and adapt policies and programs for the National Framework on Critical Infrastructure Protection and Emergency Management;
- Enhance the level of the Government of Canada's readiness and response capacity for national and/or international emergencies;
- Establish strong partnership networks in support of OCIPEP's mandate and strategic vision; and
- Strengthen OCIPEP's corporate support for its managers and staff, including improved processes, procedures and technology, to help them collectively to fulfill the Office's mandate.

Plans

OCIPEP's plans are directly related to its priorities.

Efforts to **strengthen and adapt policies and programs for the National Framework on Critical Infrastructure Protection and Emergency Management** include: a review of the nation's emergency readiness and response capacity; ongoing development of the National Disaster Mitigation Strategy policy framework and the National Critical



Infrastructure Assurance Program; and a review of the Disaster Financial Assistance Arrangements.

Plans to **enhance the level of the Government of Canada's readiness and response capacity for national and/or international emergencies** encompass, but are not restricted to: the development of a national exercise framework; building Canada's capacity for heavy urban search and rescue (HUSAR) and contributing to the development of the Government of Canada's CBRN consequence management strategy; the ability to monitor and analyze suspicious cyber activity and emerging threats and provide related advisory services; and the improved operational interoperability between OCIPEP and the provinces and territories.

To facilitate the **establishment of strong partnership networks in support of OCIPEP's mandate and strategic vision**, the Office will continue to work with all levels of government in Canada, non-governmental organizations, academia, and private sector associations representing the owners and operators of critical infrastructure, as well as foreign governments and international organizations, to enhance co-operation and collaboration on critical infrastructure protection and emergency management (CIP/EM) initiatives. Communication and mutual assistance are the keys to developing strong relationships and supporting the timely flow of credible and accurate information to key stakeholders during ordinary day-to-day operations and emergency situations. Work will continue on the establishment of information-sharing processes, and collaboration protocols and mechanisms. Increased public awareness of CIP/EM issues and interdependencies is also essential to the development of strong partnership networks, and work will continue on the development and implementation of a strategic communications framework and related strategies and activities/products to enhance the level of CIP/EM awareness and understanding among all key stakeholders and target audiences.

Work will also be undertaken to **strengthen OCIPEP's corporate support for its managers and staff, including improved processes, procedures and technology, to help them collectively to fulfill the Office's mandate**. Activities will include steps to enhance OCIPEP's ability to recruit, develop and retain staff to fill new and vacant positions, provide appropriate IM/IT tools to enable staff to carry out their functions effectively and efficiently, and obtain suitable accommodations to meet expansion pressures.

For additional information, please visit the OCIPEP website at: www.ocipep-bpiepc.gc.ca

Reserve Forces

Role

The 1994 Defence White Paper defined the primary role of the Reserve Force to be the augmentation, sustainment and support of deployed forces. The Reserves provide the depth and breadth necessary to achieve the capabilities required in each stage of mobilization. In some cases, however, as with the Naval Reserves, reservists perform tasks that are not performed by Regular Forces. This could expand in the future as Reserve specific roles and missions are under development by the Army Reserve. The



strength of the Regular Force has been declining in the past 10 years and the Reserve has provided both a surge capacity and a complimentary force for augmentation. The majority of Reserve personnel work on a part-time basis. However, there are increasingly more Reservists serving on a full-time on operations and in support of the ongoing peacetime activities of the CF.

Description

The Reserve Force is composed of members who are enrolled for other than continuing, full-time military service. The Reserve Force is divided into four sub-components:

- the Primary Reserve (P Res);
- the Supplementary Reserve (Supp Res);
- the Cadet Instructor's Cadre (CIC); and
- the Canadian Rangers.

Primary Reserve

The Primary Reserve (P Res) structure includes the Naval Reserve, the Army Reserve (Militia), the Air Reserve, and the Communication Reserve. Environmental Chiefs of Staff (Maritime, Land, and Air) command their respective Reserve elements, and the Assistant Deputy Minister (Information Management) controls the Communication Reserve. Health Services personnel in the Reserve continue a period of transition that has seen them moving out of environments into the Health Services Reserve under the Director General Health Services.

Members of the P Res are an integral part of the total force structure of the CF, which provide a significant resource in support of CF operations. The current target for Reserve participation is 10 - 20% of deployed forces. While individual Reserve augmentation continues to be most prevalent on international operations, Roto 11 of *Operation PALLADIUM* includes an Army Reserve rifle company and CIMIC augmentation currently serving as part of the Battle Group in Bosnia. Future rotations also include consideration for formed Reserve companies. Army Reservists continue to provide the bulk of augmentation to peacekeeping operations with the majority of Reserve personnel overseas. However, the Air Reserve also has a large number of personnel assigned to operational missions.

Reserve Projects and Initiatives

Four on-going Reserve projects or initiatives to enhance recruiting and retention include:

1. CF Pension Modernization Project - was established to modernize all pension arrangements for members of the CF, both regular and reserve members. The project is currently in phase three which is the design and development stage. A prototype plan has been endorsed and work continues toward obtaining legislative approval in late 2004. Plan implementation will follow in 2005. Legislative approval for the new pension arrangements is expected in late 2004, followed by implementation in 2005.



2. Reserve Force Employment Project - This project completed the formal phase of evaluation and study in 2002. Policy development and implementation continue through March 2003. The key objectives of the project have been:
 - a. To examine current employment policies and employment differences between Regular and Reserve components of the CF and look at variations between Primary Reserve and other Reserve components;
 - b. To make changes to Reserve employment policies, as necessary, to enhance the ability of the Total Force to achieve its mission in the future, while reflecting a pan-Reserve focus;
 - c. To incorporate approved changes into existing policies, orders and regulations;
 - d. To review the Cadet Instructors' Cadre and make recommendations and changes, as necessary, that will attract and retain leaders for the Canadian Cadet Movement; and
 - e. To monitor policy implementation to ensure that any amendments are considered for the "pan-Reserve".
3. Land Force Reserve Restructure (LFRR) – The LFRR PMO stood up in 2000 with a mission to develop an effective and credible Army Reserve complementary and supplementary to the Regular Force and relevant to the needs of the nation. The desired outcome of LFRR is to produce an Army Reserve, which is essential, relevant, viable and sustainable. Land Force Reserve restructure is a two-phase process. While LFRR Phase 1 was focussed on stabilizing and testing new capabilities, Phase 2 will focus on change and growth. LFRR is about enhancing the Army's strategic capacity and capability while supporting Army Transformation. Within the context of the Army Strategy, both the Regular and the Reserve components will go through significant change between 2003 and 2007 with the intent to streamline and improve force generation. For the Army Reserve, this will represent a significant increase in its force generation responsibilities, both in terms of depth, by providing reinforcement, and in breadth, by providing unique capabilities not available in the regular component (such as CIMIC, Psychological Operations or Security Operations). Focussed asymmetric growth and change will be undertaken. The project has been actively conducting a Unit Consultative Process in order to validate and assess potential impact of the Roles, Missions, and Tasks proposal published in February 2002. The LFRR PMO considers this process key to achieving the mission.
4. The Human Resources Management System for the Reserves – Rollout of this system to the Reserve Force began in 2002. Data entry and conversion across the P Res, Canadian Rangers and Cadet Instructors Cadre is ongoing. Future developments for this project will see the next version of the system as a web-based application with the introduction of extensive civilian skills modules. It is intended that the system will eventually permit members to access, and modify some selected portions of their own data to maintain currency.



Resources

PRIMARY RESERVE PLANNED SPENDING (\$ THOUSANDS)		
	Planned Spending 2002–03	Planned Spending 2003–04
Direct Operating Spending		
• Reserve Pay	337,075	343,837
• Regular Support Staff	116,019	118,815
• Reserve Operating Expenses	55,724	59,534
Subtotal Direct Operating Spending	508,818	522,186
Indirect Operating Spending		
• Ammunition	35,337	13,615
• Equipment Usage	61,074	62,269
• Clothing	9,952	10,102
• Facility Operating	32,798	34,167
Subtotal Indirect Operating Spending	139,162	120,153
Attributed Operating Spending		
• Base Support	124,034	126,773
• Training	7,808	7,995
Subtotal Attributed Operating Spending	131,842	134,768
Subtotal Primary Reserve Operating Spending	779,822	777,108
Capital Spending		
• Dedicated Capital Spending	15,051	19,549
• Shared Capital Spending	52,561	133,662
Subtotal Primary Reserve Capital Spending	67,612	153,211
Total Primary Reserve Spending	847,434	930,318

Supplementary Reserve

The Supplementary Reserve (Supp Res) is composed of personnel with previous military service who could be recalled for military service in an emergency. Members of the Supp Res are not required to perform any duty or training except when on active service.

Civilian specialists may also enrol when there is a defined need. Force structure guidance has been issued to realign the Supp Res, define its role and purpose, confirm the policy, management, and command authorities, and to explain the principles that would guide restructure. The result of this restructure will be an updated Supp Res with improved flexibility and utility for environmental commands and group principals and more relevant to current and future operational requirements. Projected implementation date of the new framework is late 2003.



Cadet Instructor's Cadre

The Cadet Instructor's Cadre (CIC) is made up of officers who have undertaken to perform such military duty and training as may be required of them, but whose primary duty is the supervision, administration and training of cadets, to ensure their safety and welfare while developing in them the characteristics of leadership, citizenship, physical fitness and an interest in the CF. A review and development of policies, procedures and practices coincides with the CIC Occupational Structure Implementation Plan (OSIP) scheduled to conclude in 2003-04. The review of additional policies and procedures included in the OSIP will follow once the OS has been completed.

Canadian Rangers

The Canadian Rangers primarily serve as unpaid volunteers, but do receive compensation when tasked. The Canadian Rangers provide a military presence in sparsely settled, northern, coastal and isolated areas of Canada that cannot conveniently or economically be covered by other elements of the CF. As a result of a comprehensive study on their role, the Canadian Rangers will undergo expansion across the country.

Communications Security Establishment and the National Cryptologic Program

Mandate – Strategic Outcome

Established in 1946, the Communications Security Establishment (CSE) has been an agency within the portfolio of the Minister of National Defence since 1975. The *Anti-Terrorism Act* of 2001 provided a legislative basis for CSE by amending the *National Defence Act*. Under the new section 273.64 of the *National Defence Act*, CSE's mandate is to:

- acquire and use information from the global information infrastructure for the purpose of providing foreign intelligence, in accordance with Government of Canada intelligence priorities;
- provide advice, guidance and services to help ensure the protection of electronic information and of information infrastructures of importance to the Government of Canada; and
- provide technical and operational assistance to federal law enforcement and security agencies in the performance of their lawful duties.

Accountability

The Minister of National Defence is accountable to Cabinet and to Parliament for CSE activities. The Minister provides direction to CSE in the performance of its functions and approves major spending recommendations made to Treasury Board.

Two Deputy Ministers, the Security & Intelligence Co-ordinator (PCO) and the Deputy Minister of National Defence (DND), ensure that the Minister is fully informed of CSE's activities. The Security and Intelligence Co-ordinator is accountable for CSE's policies



and operations, and the Deputy Minister of National Defence is accountable for administrative matters affecting CSE.

CSE Programs

CSE's *signals intelligence (SIGINT)* program provides unique and timely foreign intelligence consistent with Canadian government requirements and priorities. This information is used for indications and warning, policy formulation, decision-making and day-to-day assessment of foreign capabilities and intentions.

CSE's *information technology security (ITS)* program provides technical leadership and expertise, advice, guidance and services that meet the needs of the Government of Canada clients with respect to protecting information and information systems and infrastructures. This includes high-level IT security consulting; identification of cyber vulnerabilities and threats; and contributing to the development of government IT security policy and standards.

Performance Measurement Areas

- Client impact and satisfaction
- Technical proficiency
- Management practices
- Strength of partnerships and other external relationships.

Risks and Challenges

- Meeting the demands of the new security agenda
- Meeting the challenges presented by the technological environment.
- Managing the organization's growth

Priorities

- Improve client satisfaction
- Improve management practices
- Improve effectiveness of relationships with partners
- Improve technical capabilities

Plans

Corporate

- Satisfy clients with the quality, impact and delivery of CSE products and services
- Deploy an improved results-based performance management system
- Implement updated Human Resources practices
- Implement integrated modern comptrollership practices



SIGINT Program

- Increase the quality of products and services
- Improve CSE's technical capabilities

ITS Program

- Increase effort on cyber protection to help mitigate risks to systems of most importance to the Government of Canada
- Champion a crypto-modernization proposal for the Government of Canada

Resources

CSE PROGRAM ESTIMATES (\$ THOUSANDS)				
	Forecast Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Salaries and Personnel	70,992	76,600	76,600	76,600
Operations and Maintenance	43,389	50,399	52,977	52,977
Subtotal	114,381	126,999	129,577	129,577
Capital Spending	49,580	48,725	47,937	47,937
Total	163,961	175,724	177,514	177,514

National Search and Rescue Secretariat and National Search and Rescue Program

The National Search and Rescue Secretariat (NSS) was established by Cabinet Decision in 1986 to provide leadership to the National Search and Rescue Program (NSP) through the Interdepartmental Committee on Search and Rescue (ICSAR). The NSS reports directly to the Lead Minister for Search and Rescue (LMSAR), who is also the Minister of National Defence.

Accountability and Mandate

The National Search and Rescue Secretariat is accountable to LMSAR through ICSAR for the development, co-ordination, analysis and review of federal search and rescue (SAR) program policies, federal SAR program plans and specific federal SAR program components and activities. In addition, the NSS provides leadership in enhancing co-ordination between provincial and territorial SAR programs and the federal SAR programs, as well as providing program level advice and information to the LMSAR.

Stakeholders and Clients

The NSP provides response and prevention services directly to the public. The clients for SAR response services are people who may find themselves in distress within the boundaries of the Canadian Search and Rescue Region. SAR prevention services are also directed at the public, and aim to influence safety-related behaviour to minimize the need for response services.



The horizontal program environment requires the NSS to work in partnership with international, federal, provincial, and territorial clients and stakeholders to continue to develop, maintain, and deliver a seamless SAR system. Members of the six federal departments and agencies who are responsible for SAR operational program delivery form the ICSAR, which is chaired by the Executive Director of the NSS. The six federal departments and agencies are:

- Environment Canada (Meteorological Service of Canada) – www.ec.gc.ca;
- Department of Fisheries and Oceans (Canadian Coast Guard) – www.dfo-mpo.gc.ca;
- Department of National Defence (Canadian Forces) – www.dnd.ca;
- Parks Canada – www.parkscanada.gc.ca
- Solicitor General (Royal Canadian Mounted Police (RCMP)) – www.rcmp-grc.gc.ca); and
- Transport Canada – www.tc.gc.ca.

Risks and Challenges

The NSS is responsible for central co-ordination, leadership and reporting on the National SAR Program. Six federal departments and agencies and provincial and territorial governments are responsible for operational program delivery, and SAR prevention and response activities are also carried out by a large number of organizations including police forces, volunteers, safety organizations and the private sector. The success of the NSS in encouraging the development of an integrated, seamless SAR system across Canada's area of responsibility, and globally, depends on the co-operation, support and effort of this wide range of partners. This is the major area of risk and challenge for the NSS.

Resources

SEARCH AND RESCUE PERSONNEL REQUIREMENTS, BY PARTICIPATING DEPARTMENT (FTEs)				
	Estimated FTEs 2002-03	Planned FTEs 2003-04	Planned FTEs 2004-05	Planned FTEs 2005-06
National Search and Rescue Secretariat	19.5	19.5	19.5	19.5
Environment Canada	13	14	14	14
Department of Fisheries and Oceans*	—	—	—	—
Department of National Defence	706	628	612	608
Parks Canada	64	64	64	64
Royal Canadian Mounted Police*	—	—	—	—
Transport Canada	7	7	7	7
Total	809.5	732.5	716.5	712.5

Notes:

* FTE information is not available for the participation of DFO or the RCMP in search and rescue operations.



SEARCH AND RESCUE PROGRAM COSTS, BY PARTICIPATING DEPARTMENT (\$ THOUSANDS)				
	Estimated Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
National Search and Rescue Secretariat	11,822	10,561	10,574	10,588
Environment Canada	920	1,600	1,600	1,600
Department of Fisheries and Oceans	103,493	93,393	93,393	93,393
Department of National Defence*	227,174	154,376	126,447	123,920
Parks Canada**	4,929	4,929	4,929	4,929
Royal Canadian Mounted Police***	—	—	—	—
Transport Canada	985	985	1,000	1,000
Total	349,323	265,844	237,943	235,430

Notes:

* DND: The reduction in forecast spending between FY 2002-03 and FY 2003-04 is related to Canadian SAR Helicopter (CSH) program costs incurred in FY 2002-03 and not in FY 2003-04, and CSH program associated forecast reduction of Canadian Forces (CF) personnel required to conduct the SAR role in FY 2003-04 and future years.

** Parks Canada: Estimated salary information reflects the multifunctional nature of the Park Wardens involved in SAR.

*** The RCMP conducts ground and inland water SAR within areas of their jurisdiction, based on police service agreements with provinces, territories, and municipalities. Statistical information on the provision of ground SAR is maintained by the respective jurisdiction.

NATIONAL SEARCH AND RESCUE SECRETARIAT, PROGRAM ESTIMATES (\$ THOUSANDS)				
	Estimated Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
Operating and Maintenance	2,225	2,151	2,164	2,178
Capital	8,373	8,195	8,195	8,195
Grants and Contributions	1,224	215	215	215
Total	11,822	10,561	10,574	10,588

Notes:

- Baseline Capital of \$8,195K includes \$8.1M New SAR Initiatives Fund (NIF) and \$95K NSS Capital.
- Baseline Grants and Contributions of \$215K includes Canada's share of the costs for the COSPAS-SARSAT Secretariat.
- FY 2002-03 Capital reduced and Grants and Contributions increased by \$1,009K to reflect NIF contributions to provinces and territories.

Performance Measurement Areas

There are two areas in which the NSS is working on improved performance measurement. The first is at the SAR program level. A Review of SAR Response Services (1999) found that the SAR Program, while inherently multi-jurisdictional, had not been managed efficiently as a horizontal program, and that the NSS and ICSAR had not been able to play an effective role in this regard. The Strategic Transition Initiative Project (STIP) was initiated in 2000 to address these concerns, and an improved planning, management and performance reporting framework for the Federal SAR



Program has been developed and approved by ICSAR. Associated performance indicators are now currently being developed. At the level of the NSS organization, performance will be measured against achievement of the activities linked in the NSS Plans and Priorities section.

At the level of the NSS organization, performance will be measured against achievement of the activities linked in the NSS Plans and Priorities section.

The Federal SAR Program and the activities of the NSS contribute mainly to the following themes identified in the Treasury Board Secretariat report on *Canada's Performance*:

- Economic opportunity and innovation in Canada (through support of SAR-related research and development);
- The health of Canadians (through maintenance and improvement of the SAR safety net); and
- The strength of Canadian communities (through support of SAR volunteers and information sharing).

Plans and Priorities

NSS planned activities are grouped by key priority areas. Previously, NSS reported its plans under Key Priorities and Strategic Outcomes. The priority areas are:

1. **Program Policy:** Research and analyze SAR program and policy issues, provide policy advice and resolve program and policy issues.
2. **Program Plans**
 - a. Lead development of plans for the phase-out of COSPAS-SARSAT 121.5 MHz/243 MHz by 2009.
 - b. Co-ordinate annual Federal SAR planning process and lead development and implementation of improved program plans and reports.
 - c. Lead discussions on improved major incident planning and response.
3. **Program Activities**
 - a. Manage the New SAR Initiatives Fund (NIF) contribution program effectively, on behalf of LMSAR, and in co-operation with NIF sponsors, proponents and partners.
 - b. Design and implement the New SAR Initiatives Fund Information System.
 - c. Lead delivery of Canada's obligations under the International COSPAS-SARSAT Program Agreement, including heading the Canadian delegation at international meetings and maintaining the Canadian emergency beacon registry.
 - d. Provide effective and efficient leadership and administration of ICSAR and its sub-committees, and effective collaboration and co-ordination among Federal SAR partners.
 - e. Evaluate the feasibility of marketing co-ordinated federal SAR training programs to the international community, on a cost recovery basis.



- f. Develop a co-ordinated strategy to address gaps in SAR program training.
 - g. Lead a working group in research and development of proposals that would improve interoperability.
 - h. Lead a Readiness study to identify Federal service delivery capabilities and standards.
 - i. Develop and conduct evaluations and audits of the Federal SAR program.
 - j. Promote improved SAR prevention planning and evaluation. Chair a Best Practices forum and disseminate information.
 - k. Co-ordinate planning of a multi-jurisdictional exercise program.
 - l. Co-ordinate Federal SAR program communications.
 - m. Improve information exchange between all SAR partners and stakeholders on best practices, research, multi-jurisdictional exercises, prevention, equipment, and training in all SAR modes through SARSCENE workshop and magazine, SAR Games, an improved Government-on-Line compliant NSS website and other communications media.
 - n. Manage Outstanding SAR Achievement Awards.
4. **Advice to the Lead Minister:** Co-ordinate advice to LMSAR on SAR program issues and recommended responses.
5. **Co-ordination with Provinces and Territories:**
- a. Participate in and provide Secretariat services to the Ground Search and Rescue Council.
 - b. Support provinces and territories in the development of common approaches to national ground search and rescue training.
 - c. Encourage provincial and territorial participation in a co-ordinated Canadian SAR planning process and management framework..
6. **Effective, Efficient and Healthy NSS Organization**
- a. Improve human resource management, teamwork and internal communications.
 - b. Provide efficient and effective administrative services to meet NSS management needs.

For more information, visit the NSS website at <http://www.nss.gc.ca>.

The Office of the National Defence and Canadian Forces Ombudsman

The Ombudsman reports directly to the Minister of National Defence and is independent of civilian management and the military chain of command. In addition to an annual report, the Ombudsman issues special and follow-up reports to the Minister, which are made public.

The Ombudsman acts as a neutral third party ensuring that all members of the defence community are treated fairly. Recommendations by the Ombudsman contribute to



substantial and long-lasting improvements to the quality of life of CF members, DND employees and their families.

The Ombudsman is generally a mechanism of last resort and individuals are first directed to existing channels of redress unless compelling circumstances such as individual hardship exist. The Office deals with individual complaints and systemic problems. The Office may also review the process of complaint handling by existing mechanisms to ensure individuals were treated in a fair and equitable manner. Systemic investigations are conducted into current problems that have far-reaching impact on members of the defence community.

Risks and Challenges

The challenge for the Ombudsman will be to maintain the focus on the well-being of members of the defence community and on sustaining the department's commitment to ethical values and practices. Heightened global tensions and increased security awareness will also pose challenges to our plans to improve communications with stakeholders through Web-based technologies.

Resources

OFFICE OF THE NATIONAL DEFENCE AND CANADIAN FORCES OMBUDSMAN: PLANNED SPENDING (\$ THOUSANDS)				
	Estimated Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
FTEs	55	55	55	55
Salaries	3,481.0	3,481.0	3,481.0	3,481.0
Operating	1,931.7	1,961.2	1,990.6	2,020.5
Subtotal	5,412.7	5,442.2	5,471.6	5,501.5
Capital Spending	261.2	265.3	269.3	273.4
Total	5,673.9	5,707.5	5,740.9	5,774.9

Performance Measurement Areas

Performance will be measured using the following indicators:

- The range and extent of our ability to resolve individual cases and the acceptance and implementation of our recommendations.
- Feedback from our constituents and stakeholders in the defence community.
- Technology solutions are expected to improve caseload handling, reporting ability and access to our Office by our constituents.

Plans and Priorities

People are our focus. They are one of the most important resources of DND and the CF. The Ombudsman helps DND and the CF create and maintain a work environment that promotes fair and ethical treatment of CF members, DND employees and their families.



This, in turn, helps DND and the CF meet challenges in the areas of quality of life, ethics, morale, and recruitment and retention. The Ombudsman's Office is a place to turn, contributing to a healthy DND/CF community.

In 2003–2004, the Ombudsman's Office will:

- **Continue to identify systemic trends and problems and to make practical recommendations that contribute to long-term positive change for the entire DND/CF community.**
- **Focus on technology solutions to increase access to the Ombudsman's Office and improve the efficiency of investigations.** The Ombudsman's Office will attempt to provide its constituents with on-line access and services, while maintaining the necessary security and confidentiality safeguards. Also, the Case Tracking Management System will be expanded to integrate investigative processes and standards for all investigators, whether they are based in Ottawa or in the regions. This latter initiative will enhance the capacity to research and report on complaint trends, increasing investigative efficiency.

Further information is available on the Internet at www.ombudsman.forces.gc.ca

Office of the Judge Advocate General

The mandate of the Judge Advocate General (JAG) is set out in the *National Defence Act*, which makes the following specific provisions:

- the JAG shall act as legal adviser to the Governor General, the Minister of National Defence, the Department of National Defence and the Canadian Forces in matters relating to military law;
- the JAG has the superintendence of the administration of military justice in the Canadian Forces;
- the JAG shall conduct, or cause to be conducted, regular reviews of the administration of military justice; and
- the JAG shall report annually to the Minister on the administration of military justice in the Canadian Forces, and the Minister shall table this report with Parliament.

The JAG's mission is to provide effective and efficient legal advice and services in respect of military law and the superintendence of the military justice system. The JAG vision is that justice be done in the defence of Canada. The JAG's Strategic Outcomes are:

- safeguard Canadian interests, values and the rule of law in defence activities;
- public confidence in the Canadian military justice system; and
- public confidence in DND and the CF and the Office of the JAG.

Risks and Challenges

The changing international security environment and new CF initiatives have created new demands and increased established demands for legal services. These demands affect the CF Command and Control Capability, the morale of CF members, and the credibility of



DND and the CF, and there is a risk that these effects will occur with increasing severity over time. The main immediate challenges and associated risks are as follows:

- successfully supporting DND and the CF in preparing for and responding to the Five-Year Review of the operation of the provisions of Bill C-25— it is important to succeed in order to ensure the credibility of, and public confidence in, important reforms made within DND/CF over the past few years;
- responding effectively to operational requirements for legal advice, in both international and domestic operations— the inability to do so would result in the risk of breaches of international and domestic law by DND/CF and reduced public and international respect for Canada and the Defence portfolio;
- administering and supervising the implementation of a reinvigorated grievance process—an increased grievance backlog would result in the grievance process being perceived by CF members as a de-motivator, rather than morale enhancer;
- meeting an increasing client demand for legal services in several areas, especially the area of military justice—the inability to meet the demand would risk loss of confidence in the fairness and expediency of justice in the CF and detriment to the overall level of discipline.

Plan to Monitor and Mitigate Risk

Monitoring of the risks identified above will be managed within the JAG Performance Measurement Decision Support System. Appropriate measures have been assigned to each area of concern, and data will be reviewed and assessed on a monthly basis. Problem areas and performance gaps will receive timely senior management attention to the maximum extent possible.

Resources

OFFICE OF THE JAG: OPERATING BUDGET (\$ THOUSANDS)			
	Planned Spending 2003–04	Planned Spending 2004–05	Planned Spending 2005–06
Vote 1 Operating Budget			
Civilian Personnel (SWE)	4,220.6	4,220.6	4,220.6
Operations & Maintenance (O&M)	3,317.6	3,367.2	3,417.5
Primary Reserve/Rangers Pay	352.3	352.3	352.3
Primary Reserve O&M	105.0	106.6	108.2
Vote 1 Total	7,995.5	8,046.7	8,098.6
Vote 5 Operating Budget			
Miscellaneous Requirements (MR)	337.8	342.8	348
Vote 5 Total	337.8	342.8	348
Total Operating Budgets	8,333.2	8,389.5	8,446.6
OFFICE OF THE JAG: CORPORATE ACCOUNTS (\$ THOUSANDS)			
	Planned Spending 2003–04	Planned Spending 2004–05	Planned Spending 2005–06
Vote 1 Corporate Accounts			



OFFICE OF THE JAG: OPERATING BUDGET (\$ THOUSANDS)			
	Planned Spending 2003–04	Planned Spending 2004-05	Planned Spending 2005–06
C 125	212.3	215.5	218.7

Performance Measurement Areas

The JAG maintains a multidimensional performance measurement system that evaluates the effectiveness of 12 strategic objectives intended to:

- create value for DND, the CF and the people of Canada;
- produce timely, top-quality legal advice and services for clients;
- develop a strong corps of military lawyers with high ethical, moral and professional standards; and
- manage all programs innovatively and within assigned resource levels.

Priorities and Plans

Priorities for JAG services continue to be affected first and foremost by the Minister, by DND/CF responses to world events, and by military justice commitments. In the face of resource scarcity, increasing client demands and the potential for serious performance gaps, the Office of the JAG must focus its service-delivery energies on fulfilling the JAG mandate. Therefore, the JAG has set the following service-delivery priorities for the next three years:

- meet 100% of all established legal taskings each year;
- achieve a 95% compliance rating with all solicitor-client Service Level Agreements that are in place with primary clients by March 2004 and beyond;
- continue to meet the most urgent demands for legal advice and services from secondary clients each year;
- improve the timeliness of the Canadian Military Prosecution Service to 75% by March 2004;
- maintain the present 100% timeliness record of the Directorate of Defence Counsel Services over the next three years.

Defence Research and Development Canada

Defence Research and Development Canada (DRDC) was established as a Special Operating Agency of the Department of National Defence in July 2000. DRDC's mission is to ensure that the Canadian Forces remain technologically prepared and relevant by:

- facilitating and enhancing the ability of decision-makers to make informed decisions on defence policy, force generation, and procurement by providing expert science and technology knowledge;
- contributing to the success of military operations by pursuing R&D activities that provide improved knowledge, protection, support and response to potential threats;
- enhancing the preparedness of the CF by assessing technology trends, threats and opportunities and by exploiting emerging technologies;



- contributing to the creation and maintenance of an internationally competitive Canadian defence science and technology industrial capability by: contracting out to industry; by transferring technology to industry; and by entering into contractual relationships in which cost and risk are shared; and
- contribute to the development and maintenance of defence-related technology capabilities by conducting science and technology projects for clients external to DND.

Risks and Challenges

The ability of the CF to operate in increasingly complex theatres of operations, including those associated with asymmetric threats and weapons of mass destruction, is a key issue. The increasing availability and sophistication of offensive weapons is attributable to advances in arms-related technologies, and increased accessibility by adversaries to advanced hardware. Proliferation of advanced technology will likely become more prevalent. Greater vigilance will be required to deal with threats to information systems.

The safety and security risks facing modern societies have expanded to include bio- and cyber- terrorism, critical infrastructure vulnerability, new health hazards, and climate change. Looking ahead, we are likely to see even more fundamental changes as information technology matures and current developments in genetics, nanotechnology and robotics are incorporated into new applications.

One of the major influences on defence science and technology is the revolution in military affairs. Modern technology is having a profound impact on military thinking and the evolution of operational concepts and doctrine. The revolution in military affairs will accelerate as the technology continues its rapid evolution.

Plans and Priorities

DRDC is responding to these challenges by:

- implementing a Technology Investment Strategy and expanding its technology watch and assessment capabilities;
- developing new partnership models to improve its ability to exploit technology expertise and developments nationally and internationally;
- developing a new strategy for international collaboration in R&D to ensure continuing benefit from our international activities;
- establishing DRDC Research Centres as regional innovation hubs that leverage the R&D expertise of industries and universities;
- partnering strategically with the world's best organizations, and pursuing opportunities both nationally and internationally to exploit new concepts and products that can be inserted into new and existing defence systems;
- positioning itself to work closely with other government departments so as to contribute to national security needs and to connect effectively with the US on defence and security issues.



DRDC delivers a program that comprises more than 150 projects that are highly relevant to defence and draw on the expertise of 1,000 defence science and technology staff employed at six research centres across Canada.

DRDC continues to be a leader in the Federal Innovation Strategy. This positioning gives DRDC the opportunity to develop new models for working with national partners to deliver science and technology in Canada. The Chemical, Biological, Radiological and Nuclear (CBRN) Research and Technology Initiative (CRTI), which DRDC is leading, is an example of the new approach to R&D collaboration. This program targets improvements in Canada's capability to prepare for and respond to terrorist attacks. It is a leading example of how federal science and technology leadership can be exploited to address issues of national priority.

Resources

DEFENCE RESEARCH AND DEVELOPMENT CANADA: PROGRAM ESTIMATES (\$ THOUSANDS)				
	Estimated Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05	Planned Spending 2005-06
FTEs	1,200	1,240	1,272	1,305
Salaries (SWE)	70,451	75,578	76,578	76,578
Operations	32,048	23,864	23,864	23,864
R&D	88,414	85,707	85,407	85,407
Capital Spending	5,855	6,900	8,000	8,000
CRTI	29,789	35,000	35,000	35,000
CTTC	2,000	4,000	4,000	2,000
CCMAT	1,867	3,000	3,000	3,000
Total	230,424	234,049	235,849	233,849

Notes:

* Funding for CRTI and The Counter-Terrorism Technology Centre (CTTC) was obtained through the Dec 2001 Budget.

** DRDC is responsible for the Canadian Centre for Mine Action Technologies (CCMAT) located at DRDC Suffield. The Government recently approved the extension of the CCMAT initiative for another four years.

Defence R&D Canada focuses its program on future CF needs and balances the investment between immediate, near and long-term technological requirements. The investment in intellectual capital will continue to grow as we build our S&T capabilities. DRDC continues to pursue partnerships with our closest allies and to work with the Canadian defence and scientific communities to build our national defence S&T capacity.

Anticipating future threats and opportunities in the defence environment will be an ongoing concern of Defence R&D Canada. Along with the CF and other DND stakeholders, we recognize that the need to anticipate disruptive and emerging technologies is more critical than ever. Focused and collaborative efforts in technology watch will be required to anticipate the impact on the military needs of the future.

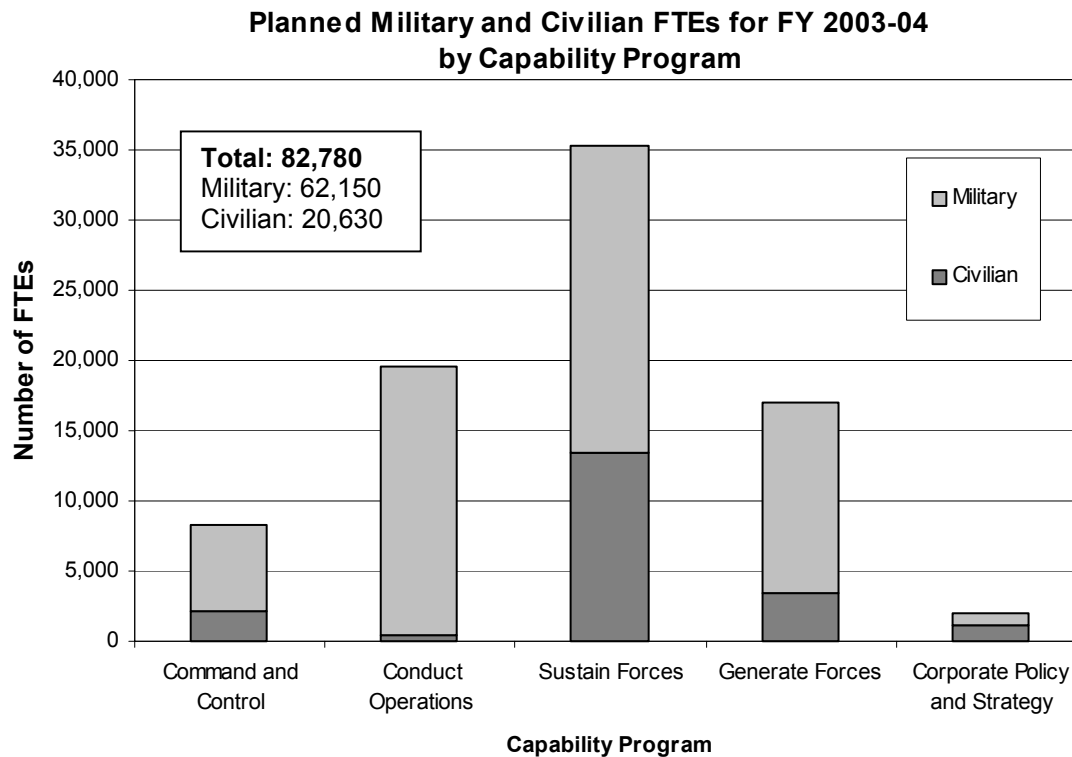
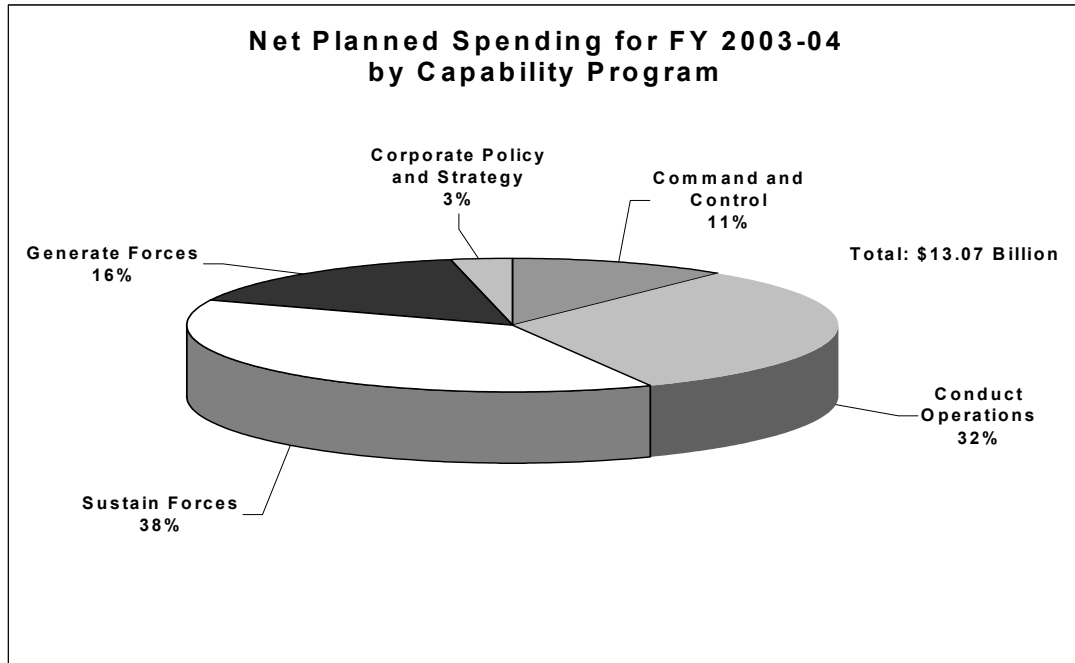


For additional details on the DRDC please refer to: <http://www.drdc.dnd.ca>



Section 6: Financial and Personnel Information

Resource Overview





Overview of Departmental Planned Spending

(\$ THOUSANDS)	FORECAST SPENDING 2002–03	PLANNED SPENDING 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06
Command and Control	1,420,042	1,419,948	1,456,196	1,449,864
Conduct Operations	3,827,357	4,008,921	3,895,177	3,947,477
Sustain Forces	4,653,102	4,770,967	4,867,382	4,952,325
Generate Forces	2,006,425	2,116,370	2,141,908	2,164,782
Corporate Policy and Strategy	410,209	411,163	424,915	425,296
Budgetary Main Estimates (gross)	12,317,135	12,727,369	12,785,578	12,939,744
Less: Respendable revenue	483,135	472,369	450,578	466,744
Total Main Estimates	11,834,000	12,255,000	12,335,000	12,473,000
Adjustments	615,838	810,500	833,215	829,815
Net Planned Spending	12,449,838	13,065,500	13,168,215	13,302,815
Less: Non-Respendable revenue	4,375	9,150	4,250	9,150
Plus: Cost of services without charge	442,136	454,299	454,156	456,757
Net Cost of Program	12,887,599	13,510,649	13,618,121	13,750,422
Full Time Equivalents	82,092	82,780	82,880	83,080

Notes:

The adjustments line includes the \$800-million baseline increase beginning in 2003–04 that was announced in the February 2003 Budget. This new money will enable the Canadian Forces to:

- continue to support ongoing recruiting and training programs;
- re-stock spare parts;
- support and enhance the reserves;
- buy new equipment and modernize capabilities in selected areas;
- address pressing infrastructure maintenance and replacement needs; and
- ease pressure on operations both at home and abroad.



Spending Authorities

**Table 1: Summary of Capital Spending, by Capability Program
(\$ Thousands)**

	FORECAST SPENDING 2002–03	PLANNED SPENDING 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06
Command and Control	368,137	363,839	402,318	418,969
Conduct Operations	695,627	784,449	867,411	899,001
Sustain Forces	738,006	803,265	739,747	802,422
Generate Forces	92,536	81,075	89,650	92,915
Corporate Policy and Strategy	45,124	19,544	21,611	22,398
Total	1,939,430	2,052,172	2,120,737	2,235,705

**Table 2a: Details on Major Capital Project Spending – Equipment (\$ millions)**

Projects in Table 2a have been identified on the basis as either: (1) where the estimated expenditure exceeds the approval authority granted to DND by the Treasury Board (\$30 million with *substantive cost estimates*), or (2) the project is particularly high risk, regardless of the estimated amount. Although all major capital projects (equipment) fall under the *Generate Forces Capability Program*, to provide a better insight into what they generate, the list of projects has been divided according to the capability program supported. For FY 2003-04, planned spending on major capital projects (equipment) represents 89% of total planned capital spending (Equipment).

PROJECT	IN SUPPORT OF CAPABILITY PROGRAMS	CURRENTLY ESTIMATED TOTAL COST	TOTAL SPENT TO 31 MAR 03	PLANNED EXPENDITURES 2003–04	PLANNED EXPENDITURES 2004–05	PLANNED EXPENDITURES 2005–06	FUTURE YEARS' REQUIREMENTS
In Support of Command and Control							
180	CF-18 Multi-purpose Display Group Project	129.8	30.5	30.7	2.6	—	66.0
273	CF-18 Advanced Multi role infrared sensor (B)	199.1	—	24.0	56.5	59.6	59.0
295	Aurora - Communication Management System Replacement	95.2	17.9	23.6	16.7	19.0	18.0
317	Aurora - Electro-Optics System Replacement	46.9	3.2	35.9	6.5	1.3	—
423	Aurora - Electronic Support Measures Replacement	177.2	1.9	67.3	65.6	32.0	10.4
428	Aurora - Imaging Radar Acquisition	255.1	4.6	44.1	75.1	62.2	69.1
547	Area Surveillance/Secondary Surveillance Radar	86.0	—	—	1.3	29.0	55.7
578	Aurora Magnetic Anomaly Detector (B)	29.9	—	8.7	15.1	6.1	—
1574	Tactical Command, Control and Communication System	1,927.7	1,834.8	92.9	—	—	—
1656	Land Forces Command System	178.9	166.0	12.9	—	—	—
2370	CC130 – Avionics Update	92.1	89.1	2.9	—	—	—
2371	Advanced Navigation and Precision Approach Phase II	106.7	33.6	23.8	8.7	4.0	36.7
2469	Canadian Forces Command System	55.8	31.2	16.8	7.8	—	—



PROJECT	IN SUPPORT OF CAPABILITY PROGRAMS	CURRENTLY ESTIMATED TOTAL COST	TOTAL SPENT TO 31 MAR 03	PLANNED EXPENDITURES 2003–04	PLANNED EXPENDITURES 2004–05	PLANNED EXPENDITURES 2005–06	FUTURE YEARS' REQUIREMENTS
2526	Region/Sector Air Operations Centre	103.2	71.3	3.5	11.4	5.7	11.3
2526	Region/Sector Air Operations Centre (B)	64.5	—	5.4	21.4	25.5	12.2
2650	Leopard Thermal Sight	139.0	131.1	7.8	—	—	—
2660	8 Air Communication Control & Communication System	46.5	37.0	9.5	—	—	—
2803	Protected Military Satellite Communication	232.6	102.6	55.8	48.5	25.7	—
	Sub-Total Command and Control	3,966.3	2,554.8	465.6	337.2	270.1	338.4
In Support of Conduct Operations							
58	Wheeled Light Armoured Vehicle Life Extension	211.4	47.2	34.6	43.6	54.5	31.5
276	Intelligence Surveillance Target Acquisition(B)	629.0	3.0	20.3	33.6	44.2	527.9
530	CC144 Challenger Aircraft Acquisition	94.1	93.7	.3	.1	—	—
583	CF-18 Engineering Change Proposal 583	1,048.2	458.3	196.8	120.4	74.3	198.3
1495	Canadian Patrol Frigate	8,957.3	8,903.7	20.0	18.0	15.6	—
1686	CF-18 Advanced Air-to-Air Weapon - Short Range (B)	177.0	—	70.8	56.4	7.9	41.9
1700	Tribal Class Update and Modernization Project	1,410.1	1,404.7	4.9	.5	—	—
2242	Maritime Coastal Defence Vessels	683.7	650.0	15.3	7.7	7.0	3.6
2320	Military Automated Air Traffic System	169.2	110.0	38.5	10.9	9.9	—
2349	Light Utility Vehicle Wheeled	225.0	11.9	143.8	62.5	6.8	—
2517	Canadian Forces Utility Tactical Transport Helicopters	1,163.2	1,056.4	43.3	43.2	20.3	—
2549	Submarine Capability Life Extension	807.4	522.4	64.8	57.8	59.1	103.3
2551	Auxiliary Oiler and Replacement Close-In Weapon System	31.8	31.2	.3	.3	—	—
2625	Vehicles - Lynx Replacement Project	878.9	859.7	16.2	3.0	—	—



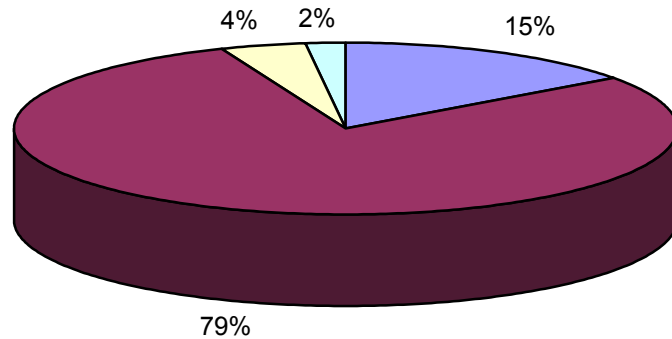
PROJECT	IN SUPPORT OF CAPABILITY PROGRAMS	CURRENTLY ESTIMATED TOTAL COST	TOTAL SPENT TO 31 MAR 03	PLANNED EXPENDITURES 2003–04	PLANNED EXPENDITURES 2004–05	PLANNED EXPENDITURES 2005–06	FUTURE YEARS' REQUIREMENTS
2637	Armoured Personnel Carriers	2,226.0	1,787.8	195.1	135.1	108.0	—
2640	Evolved Sea Sparrow Missile	471.2	221.2	40.1	48.4	54.1	107.4
2657	CC-150-Strategic Air-to-Air Refuelling	103.4	28.9	24.7	42.2	1.7	5.9
2678	Canadian Search and Rescue Helicopter (CSH)	769.6	726.5	41.3	1.4	.3	—
2680	Maritime Helicopter Project (Definition)	51.3	34.3	17.0	—	—	—
2684	Improved Landmine Detection Capability	31.6	29.9	.5	1.2	—	—
2731	Armoured Personnel Carriers Life Extension	358.4	206.8	73.8	49.5	28.3	—
2754	CF-18 Advanced Air-to-Air Weapon - Medium Range (B)	145.7	—	12.6	13.7	32.1	87.2
	Sub-Total Conduct Operations	20,643.4	17,187.6	1,075.0	749.5	524.1	1,107.0
In Support of Sustain Forces							
XXXX	Clothe The Soldier Project	257.7	133.0	58.7	56.2	9.8	—
405	Canadian Aerospace Synthetic Environment (B)	44.4	.9	5.2	3.4	4.8	30.1
439	Allied Vaccine Development Project	18.5	14.6	1.2	1.3	1.4	—
451	Primrose Lake Evaluation Range TSPI System (B)	63.1	—	10.4	26.3	20.7	5.7
480	Integrated Clothing Ensemble (B)	36.8	—	20.0	16.8	—	—
1947	Canadian Forces Supply System Upgrade	298.1	295.1	3.0	—	—	—
2272	Materiel Acquisition and Support Information System	120.3	89.1	31.2	—	—	—
2400	Defence Integrated Human Resources System	58.8	49.9	8.9	—	—	—
2475	Defence Message Handling System	117.6	87.0	17.7	12.9	—	—
2535	Classified Canadian Electronic Key Management System	38.1	37.1	1.0	—	—	—
2536	Role Three Health Support	40.6	21.7	12.9	4.9	1.2	—



PROJECT	IN SUPPORT OF CAPABILITY PROGRAMS	CURRENTLY ESTIMATED TOTAL COST	TOTAL SPENT TO 31 MAR 03	PLANNED EXPENDITURES 2003–04	PLANNED EXPENDITURES 2004–05	PLANNED EXPENDITURES 2005–06	FUTURE YEARS' REQUIREMENTS
2573	Pollution Control Systems for Ships	42.1	34.0	4.1	3.4	.6	—
	Sub-Total Sustain Forces	1,136.1	762.4	174.3	125.2	38.5	35.8
In Support of Generate Forces							
113	Advanced Distributed Combat Training System	188.4	.6	56.3	47.7	39.7	44.0
410	Aurora - Flight Deck Simulator	38.7	5.1	20.3	13.1	.1	—
536	Aurora - Operator Mission Simulator (B)	44.7	2.8	17.8	13.5	10.6	—
2058	Weapons Effect Simulation	122.8	4.5	10.6	33.4	53.8	20.5
2237	Naval Combat Operator Trainer	39.7	36.9	2.9	—	—	—
2624	Simulation Equipment	56.8	56.2	.6	—	—	—
	Sub-Total Generate Forces	491.1	106.1	108.5	107.7	104.2	64.5
	Total All Capability Programs	26,236.9	20,610.9	1,823.4	1,319.6	936.9	1,545.7



**Currently Estimated Total Cost of Major Capital Projects (Equipment) in Support of Capability Programs
(as a %)**



This broad perspective of capital investment reflects the Defence strategic target of “Proactive Innovation” agreed upon by senior Defence officials in early 2000. In that review, senior planners estimated that, during the 20 years from 2000 to 2020, investment would be approximately 25% for Command and Control (currently 15%), 70% for Conducting Operations (currently 79%), 4% for Sustaining Forces (currently 4%), and 1% for Generating Forces (currently 2%).

■ Command and Control ■ Conduct operations ■ Sustain Forces ■ Generate Forces



Table 2b: Details on Major Capital Project Spending (Construction) (\$ millions)

Projects in Table 2b have been identified on the basis as either: (1) where the estimated expenditure exceeds the approval authority granted to DND by the Treasury Board (\$60 million), or (2) the project is particularly high risk, regardless of the estimated amounts. All of the major capital projects (construction) fall under the *Sustain Forces Capability Program*. However, to provide a better insight into what they ‘sustain’, they have been listed below as an ‘in support’ to a given capability program. For FY 2003-04, planned spending on major capital projects (construction) represents 9.1% of total planned capital spending (construction).

IN SUPPORT OF CAPABILITY PROGRAMS	CURRENT ESTIMATED COST	FORECAST SPENDING TO 31 MAR 02	PLANNED SPENDING 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	FUTURE YEARS’ SPENDING REQUIREMENTS
In Support of Sustain Forces						
Replace “B” Jetty (PPA)	70.37(I)	0.00	0.00	0.00	4.40 (I)	65.97 (I)
Replace “A” Jetty (PPA)	85.00 (I)	0.00	0.00	0.00	0.25 (S)	84.75 (I)
FMF Cape Breton (EPA)	91.88(S)	31.06 (S)	15.05 (S)	17.52 (S)	16.25 (S)	12.00 (S)
*Colwood Refueling Facility (EPA)	58.75 (S)	46.47 (S)	12.28 (S)			
Expand Hangars 2,3, & 4 (Cold Lake) (PPA)	61.00 (I)	0.00	0.00	0.00	0.00	61.00 (I)
RTA Sedimentation Remediation (Gagetown) (PPA)	108.36 (I)	.200 (S)	1.00 (I)	10.00 (I)	10.00 (I)	87.16 (I)
Accommodation 5 Bn (Valcartier) (PPA)	100.00 (I)	0.00	0.00	0.00	0.00	100.00 (I)
Infrastructure Modernization (DRDC Valcartier) (PPA)	100.00 (I)	0.00	0.00	0.00	0.00	100.00 (I)
Health Services Facility Recap (PPA) – various sites	123.00 (I)	0	5.00 (I)	13.00 (I)	13.00 (I)	92.00 (I)
Total	798.36	77.73	33.33	40.52	43.9	602.88

Notes:

(I) = Indicative, (S)= Substantive

* Project is near \$60M expenditure authority, and is expected to exceed the current MND authority during this fiscal year.



Table 3: Status Report on Major Crown Projects (Equipment)

Status report on major crown projects (Equipment) found at:

http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/rpp_e.asp

Table 4: Summary of Transfer Payments (\$ Thousands)

	FORECAST SPENDING 2002-03	PLANNED SPENDING 2003-04	PLANNED SPENDING 2004-05	PLANNED SPENDING 2005-06
Grants				
Sustain Forces	100	100	100	100
Generate Forces	1,147	1,147	1,147	1,147
Corporate Policy and Strategy	3,083	3,084	3,084	3,085
Sub-total Grants	4,330	4,331	4,331	4,332
Contributions				
Conduct Operations*	7,521	203,531	215	215
Sustain Forces	20,450	19,450	19,950	20,450
Generate Forces	5,000	5,000	2,000	2,000
Corporate Policy and Strategy	144,989	153,537	173,822	169,708
Sub-total Contributions	177,960	381,518	195,987	192,373
Total Grants and Contributions	182,290	385,849	200,318	196,705

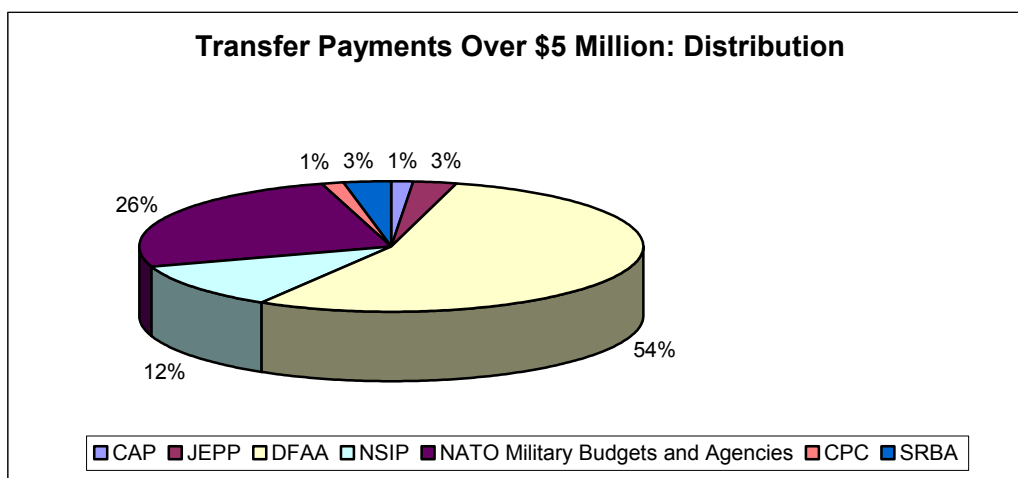
Notes:

* Conduct Operations contributions for fiscal year 2002–03 include a revised estimate of Disaster Finance Assistance Arrangements (DFAA) spending from \$200 million to \$4.145 million. The figure for 2003–04 includes \$200 million for DFAA. Figures for 2004–05 and 2005–06 exclude contributions for DFAA as these payments are forecast only one year in advance.

**Table 5: Details on Transfer Payments Programs**

In accordance with Transfer Payments policy released June 1, 2000, paragraph 7.4.5 states the departmental Report on Plans and Priorities documents must include additional information on Grants, Contributions and Other Transfer Payments, which receive funding in excess of \$5 million. Transfer payments over \$5 Million represents about 96% of the Transfer Payments at National Defence. The Breakdown and Distribution are illustrated below. Detailed information about transfer payments is available at http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/rpp_e.asp

TRANSFER PAYMENTS OVER \$5 MILLION: BREAKDOWN			
Description of Transfer Payment	In Support of Capability Program	Type of Transfer Payment	2003-04 Amount (\$)
Canadian International (Pearson) Peacekeeping Centre (CPC)	Generate Forces	Contributions	5,000,000
Contribution to Provinces and Municipalities for Capital Assistance Projects (CAP)	Sustain Forces	Contributions	5,450,000
Contribution to Provinces and Municipalities Pursuant to Emergency Preparedness Act (JEPP)	Corporate Policy and Strategy	Contributions	9,890,967
Contribution to Provinces for Assistance Related to Natural Disasters (DFAA)	Conduct Operations	Contributions	200,000,000
NATO Infrastructure (NSIP)	Corporate Policy and Strategy	Contributions	42,170,000
NATO Military Budgets and Agencies	Corporate Policy and Strategy	Contributions	95,205,197
Supplementary Retirement Benefits Act (SRBA) Payments	Sustain Forces	Statutories	11,500,000
Subtotal Transfer Payments Over \$5 Million			369,216,164
Total Transfer Payment			385,849,000



**Table 6: Source of Respendable and Non-Respendable Revenue, by Capability Program (\$ Thousands)**

	FORECAST REVENUE 2002-03	PLANNED REVENUE 2003-04	PLANNED REVENUE 2004-05	PLANNED REVENUE 2005-06
Respendable Revenue				
Command and Control	6,809	6,646	6,418	6,650
Conduct Operations	1,548	1,511	1,460	1,512
Sustain Forces	236,494	230,837	222,997	230,997
Generate Forces	216,830	211,643	204,456	211,791
Corporate Policy and Strategy	22,264	21,732	15,247	15,794
Total Respendable Revenue	483,945	472,369	450,578	466,744
Non-Respendable Revenue				
Corporate Policy and Strategy	4,375	9,150	4,250	9,150
Total Non-Respendable Revenue	4,375	9,150	4,250	9,150
Total Respendable Revenue and Non-Respendable Revenue				
	488,320	481,519	454,828	475,894

Table 7: Net Cost of Program for the Estimates Year (\$ Thousands)

	DEFENCE SERVICES PROGRAM 2003–04
Net Planned Spending: i.e., Total Main Estimates plus Adjustments as per the Planned Spending table	13,065,500
Plus: Services received without charge	
Accommodation provided by Public Works and Government Services Canada	56,782
Contributions covering employer's share of employees' insurance premiums and expenditures (excluding revolving funds) paid by Treasury Board Secretariat	381,929
Workers' compensation coverage provided by Human Resources Development Canada	12,457
Salary and associated expenditures of legal services provided by the Department of Justice	3,132
Subtotal	13,519,800
Less: Non-Respendable Revenue	9,150
Net Cost of 2003–04 Program	13,510,650

Table 8: Alternative Service Delivery (ASD)

Details on ASD found at: http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/rpp_e.asp

**Planned Full-Time Equivalents****Table 9: Civilian Personnel Requirements, by Capability Program***

CAPABILITY PROGRAMS	ACTUALS 2000–01	ACTUALS 2001–02	ESTIMATED 2002–03	FORECAST 2003–04	FORECAST 2004–05	FORECAST 2005–06
Command and Control	1,115	1,038	2,208	2,204	2,204	2,204
Conduct Operations	416	419	400	398	398	398
Sustain Forces	13,803	13,667	13,454	13,435	13,435	13,435
Generate Forces	3,126	3,204	3,491	3,487	3,487	3,487
Corporate Policy & Strategy	786	950	1,107	1,106	1,106	1,106
Total	19,246	19,278	20,660	20,630	20,630	20,630

Notes:

Source: ADM (HR-Civ)

* Including CSE workforce of 1,033 for 2002–03, 2003–04, 2004–05 and 2005–06.

Table 10: Military (Regular Force) Personnel Requirements, by Capability Program

CAPABILITY PROGRAMS	ACTUALS 2000–01	ACTUALS 2001–02	ESTIMATED 2002–03	FORECAST 2003–04	FORECAST 2004–05	FORECAST 2005–06
Command and Control	5,969	5,853	6,047	6,072	6,072	6,072
Conduct Operations	20,179	18,468	19,082	19,810	19,910	20,110
Sustain Forces	20,484	21,065	21,766	21,854	21,854	21,854
Generate Forces	11,306	12,951	13,593	13,466	13,466	13,466
Corporate Policy & Strategy	914	914	944	948	948	948
Total	58,852	59,251	61,432	62,150	62,250	62,450

Source: ADM (HR-Mil)

Table 11: Combined Civilian and Military Personnel Requirements, by Capability Program

CAPABILITY PROGRAMS	ACTUALS 2000–01	ACTUALS 2001–02	ESTIMATED 2002–03	FORECAST 2003–04	FORECAST 2004–05	FORECAST 2005–06
Command and Control	7,084	6,891	8,255	8,276	8,276	8,276
Conduct Operations	20,595	18,887	19,482	20,208	20,308	20,508
Sustain Forces	34,287	34,732	35,220	35,289	35,289	35,289
Generate Forces	14,432	16,155	17,084	16,953	16,953	16,953
Corporate Policy & Strategy	1700	1864	2,051	2,054	2,054	2,054
Total	78,098	78,529	82,092	82,780	82,880	83,080

Source: ADMs (HR-Civ and HR-Mil)


Table 12: Military FTEs (Regular Force), by Rank

RANK	2000–01 ACTUALS	2001–02 Actuals	2002–03 ESTIMATED	2003–04 FORECAST	2004–05 FORECAST	2005–06 FORECAST
General/Lieutenant-General/ Admiral/Vice-Admiral*	10	11	11	10	10	10
Major-General/Rear-Admiral	20	19	20	20	20	20
Brigadier- General/Commodore	46	45	45	46	46	46
Colonel/Captain(N)	278	299	300	279	279	279
Lieutenant- Colonel/Commander	947	999	1,049	1,020	1,020	1,020
Major/Lieutenant- Commander	3,031	3,099	3,146	3,287	3,287	3,287
Captain/Lieutenant(N)	6,000	5,878	5,857	5,697	5,722	5,747
Lieutenant/Sub-Lieutenant**	1,406	1,478	1,626	1,750	2,000	1,975
Officer Cadet/Naval Cadet	1,666	1,650	1,763	2,050	1,825	1,875
Chief Warrant Officer/ Chief Petty Officer 1 st Class	602	626	644	613	613	613
Master Warrant Officer/ Chief Petty Officer 2 nd Class	1,701	1,737	1,770	1,754	1,754	1,754
Warrant Officer/ Petty Officer 1 st Class	3,579	3,626	3,637	3,676	3,676	3,676
Sergeant/ Petty Officer 2 nd Class	6,683	6,678	6,717	6,737	6,737	6,737
Corporal/Leading Seaman***	27,546	26,713	26,122	26,011	26,411	26,411
Private/Able Seaman	5,336	6,393	8,725	9,200	8,850	9,000
Total	58,852	59,251	61,432	62,150	62,250	62,450

Notes:

Source: ADM (HR-Mil)

* Several General and Flag officers are employed in positions outside the CF, such as UN and NATO command positions, and positions in other federal government departments and agencies.

** Includes Second Lieutenants and Acting Sub-Lieutenants

*** Includes Master Corporals and Master Seamen



Annex A: CF International Deployments Planned for FY 2003-04

The CF continued to make a difference worldwide by undertaking, maintaining, or concluding missions across several continents.

CF Missions to Europe

NATO Stabilization Force — Operation *PALLADIUM*

With a mandate to deter hostilities, establish a secure environment, and monitor the peace in Bosnia-Herzegovina, the Canadian contingent of 1269 CF personnel consists of National Command and National Support elements, a battle group, and a helicopter detachment. Canada also provides staff officers to headquarters located throughout Bosnia-Herzegovina.

NATO Air Campaign — Operation *IMAGE*

After September 2001, when Canada reduced its contribution to three staff officers, this mission saw a phased reduction in deployed personnel, and the last Canadian had returned home by June 30, 2002. Canada is still committed to this mission, with personnel on 20 days' notice to deploy.

United Nations Mission in Bosnia-Herzegovina

The mandate of this mission is to maintain a diplomatic presence, co-ordinate the humanitarian activities of the United Nations High Commissioner for Refugees (UNHCR), and create and monitor an international police force dedicated to the implementation of aspects of the Dayton Peace Accords. The CF contributes one senior staff officer to the UN Co-ordinator for Bosnia-Herzegovina.

European Union Mission in the Former Yugoslavian Republic of Macedonia—Operation *FUSION*

Operation FUSION is Canada's participation in the new European Union mission mandated to restore stability in the Former Yugoslav Republic of Macedonia. The CF will contribute one Lieutenant-Colonel to serve as Executive Officer to the Force Commander.

CF Missions to the Middle East

United Nations Disengagement Observer Force (UNDOF) — Operation *DANACA*

The mandate of UNDOF is to supervise the cease-fire between Israel and Syria, to supervise the redeployment of Israeli and Syrian forces, and to establish an area of separation according to the disengagement agreement. Canada contributes 193 CF personnel to provide supply, transport, maintenance, and communications services.



United National Peacekeeping Force in Cyprus (UNFICYP) — *Operation SNOWGOOSE*

The mandate of UNFICYP is to maintain the cease-fire between the Greek and Turkish portions of the island of Cyprus, and to help restore normal conditions. The CF contributes one staff officer to UNFICYP Headquarters.

Multinational Force and Observers — *Operation CALUMET*

The mandate of this non-UN mission is to supervise compliance with the peace treaty between Israel and Egypt in accordance with the Camp David Accords. The CF contributes the Force Commander, the Force Sergeant Major and 28 personnel to the headquarters staff.

United National Truce Supervision Organization (UNTSO) — *Operation JADE*

The mandate of UNTSO is to provide Military Observers to supervise the cease-fire ordered by the UN Security Council and to help the parties comply with the terms of the General Armistice Agreement concluded separately between Israel, Egypt, Lebanon, Jordan, and Syria. The CF provides eight officers, who are assigned to the Golan Heights, South Lebanon and the Sinai. The fall of 2002 marked the deployment of a LCol as the Military Advisor to the United Nations Special Co-ordinator to the Occupied Territories (UNSCO).

CF Missions to the Arabian Gulf and Asia

The Multi-National Coalition Against Terrorism — *Operation APOLLO*

Operation APOLLO is Canada's military contribution to the international campaign against terrorism. The Canadian Forces (CF) contribution to the campaign includes such units and formations as:

- The Canadian Naval Task Group, on station in the Arabian Sea, may comprise patrol frigates, a replenishment ship and a destroyer.
- A Long-Range Patrol Detachment, comprising two CP-140 Aurora maritime patrol and surveillance aircraft, operates in the Arabian Gulf region.
- A Tactical Airlift Detachment, comprising three CC-130 Hercules transport aircraft, employed primarily in the delivery of humanitarian relief and supplies to the people of Afghanistan, as well as to support coalition forces.

The CF units and formations committed to *Operation APOLLO* are organized under the Commander, Joint Task Force South West Asia (JTFSWA), a general officer (Brigadier-General or Commodore). The JTFSWA has a headquarters unit, the Canadian National Command Element (NCE), located at MacDill Air Force Base near Tampa Florida. The NCE links the Chief of the Defence Staff in Ottawa with the U.S. senior leadership, and with the various CF units assigned to *Operation APOLLO*.



International Security Assistance Force - *Operation ATHENA* —

Details of this operation, to commence in August 2003, are still to be determined.

United Nations Assistance Mission in Afghanistan (UNAMA) — *Operation ACCIUS*

United Nations Security Council Resolution 1401 was authorized on 28 Mar 02 and approved the establishment of UNAMA. UNAMA is a civilian-led mission responsible for the planning and conduct of all UN activities in Afghanistan, particularly political affairs and relief, recovery and reconstruction activities in co-ordination with the Afghan Transitional Authority. As of 24 Nov 02, Canada's contribution to UNAMA is a LCol who is deployed to Kabul, Afghanistan. He is employed as one of three military advisors to Mr. Brahimi, the Special Representative to the Secretary General. His duties will include liaison with International Security Assistance Force and coalition personnel based in Afghanistan.

CF Missions to Africa

United Nations Mission in Sierra Leone (UNAMSIL) — *Operation REPTILE*

The mandate of UNAMSIL is to co-operate with the Government of Sierra Leone and the other parties to the peace agreement that ended hostilities in that country, to help the parties implement that agreement, and to help the Government of Sierra Leone implement the terms of the agreement that cover the disarmament, demobilization and reintegration of combatant forces. The CF provides UNAMSIL with six officers who serve as UN Military Observers.

International Military Advisory and Training Team (IMATT) Sierra Leone — *Operation SCULPTURE*

The mandate of the IMATT Sierra Leone, a mission led by the United Kingdom, is to provide advice and training to help the government of the Republic of Sierra Leone build new, effective armed forces. The CF contributes 7 personnel to IMATT Sierra Leone.

United Nations Observer Mission in the Democratic Republic of the Congo (MONUC) — *Operation CROCODILE*

MONUC has a mandate to monitor the implementation of a ceasefire agreement between warring factions. Eight CF personnel fill different staff positions including the positions of Deputy Chief of Staff Operations and Staff Officer Operations and Plans at the Advanced UN Military Headquarters in Kinshasa.



United Nations Mission in Ethiopia and Eritrea (UNMEE) — *Operation ADDITION*

The mandate of UNMEE is to supervise the cease-fire between Ethiopia and Eritrea, to monitor the redeployment of Ethiopian and Eritrean forces, and to deploy UN Military Observers in the Temporary Security Zone. The CF provides five UN Military Observers and a senior staff officer at UNMEE Headquarters in Asmara, Eritrea, co-ordinating the work of the mission's Military Observers. Mission is scheduled to close out in June 2003.

United Nations Mission in West Africa (Senegal, Nigeria and Cameroon)—*Operation SOLITUDE*

Under *Operation SOLITUDE*, Canada is providing a Lieutenant-Colonel to serve for one year as Senior Military Liaison Officer to the Special Representative of the Secretary-General of the United Nations (SRSG) for West Africa. The SRSG for West Africa is responsible for the implementation of the International Court of Justice October 2002 ruling on the Bakassi border dispute between Nigeria and Cameroon.



Annex B: Cost Estimates of CF Operations

(correct to 15 March 2003)

Operations	FY 2002-2003 (\$MILLIONS)				FY 2003-2004 (\$MILLIONS)			
	Full DND Cost*	Incremental DND Cost**	Est UN Revenue to CRF	Est UN/MFO Revenue to DND	Full DND Cost*	Incremental DND Cost*	Est UN Revenue to CRF	Est UN/MFO Revenue to DND
Europe								
SFOR - OP PALLADIUM (Bosnia) (NATO) ¹	472.9	180.7			472.9	180.7		
OP QUADRANT (Albania, UNMIK, UNMACC)	0.8	0.4			closed	closed		
OP IMAGE	0.2	0.1			closed	closed		
OP ARTISAN (UN ALBANIA)	.1	.1			closed	closed		
EU MISSION FYROM – OP FUSION	0.0	0.0			0.2	0.1		
Sub-Total	474	181.3			473.1	180.8		
Asia								
Op APOLLO	709.1	233.5			734.0	238.0		
Op ATHENA – ISAF (Kabul, Afghanistan)(2)	0	0			TBD	TBD		
UNAMA – OP ACCIUS (Kabul, Afghanistan)	.2	.1			.2	.1		
Sub-Total	709.3	233.6			734.2	238.1		
Middle East								
UNDOF - OP DANACA (Golan Heights)	29.6	8.0			29.8	8.2		
MFO (Multinational Force & Observers) - OP CALUMET (Sinai) non-UN	3.0	0.5			3.0	0.5		
UNTSO – OP JADE (Middle East)	1.5	0.7			1.5	0.7		
UNFICYP – OP SNOWGOOSE (Cyprus)	0.3	0.1			0.3	0.1		
Sub-Total	34.4	9.3			34.6	9.5		
Africa								
UNAMSIL – OP REPTILE (Sierra Leone)	0.6	0.2			0.6	0.2		
IMATT - OP SCULPTURE (Sierra Leone)	4.0	0.4			4.0	0.4		
MONUC - OP CROCODILE (DRC)	1.3	0.3			1.3	0.3		
UNMEE - OP ADDITION (Ethiopia/Eritrea)	1.0	0.5			1.0	0.5		
UNSRSG WEST AFRICA – OP SOLITUDE	0.0	0.0			0.3	0.1		
Sub-Total	6.9	1.4			7.2	1.5		
Revenue and Recoveries from the UN			4.5	6			9.2	10.9
Total: Operations	1,224.6	425.6			1249.1	429.9		

Notes: Source: ADM (Fin CS)

* “Full DND Cost” is the cost to DND for the operation. Included in this cost are: civilian and military wages; overtime and allowances; petroleum, oil and lubricants; spares; contracted repair and overhaul; and depreciation and attrition costs of all equipment involved.

** “Incremental DND Cost” is the cost to DND over and above what would have been spent on personnel and equipment if they had not been deployed on the task. It is derived from the Full DND Cost by subtracting wages, equipment depreciation and attrition and other costs that would otherwise have been spent on exercises or absorbed as part of normal activities.

¹ Because the concept of operations for *Op PALLADIUM* has changed, the cost estimates for this mission will be the subject of a detailed cost review.

² Canada has committed to contribute to *Operation ATHENA*, the International Security Assistance Fund (ISAF) in Afghanistan that is currently in the planning stages. Costs for this operation, to commence in



August 2003, are still to be determined.



Annex C: Other Information

Legislation and Regulations Administered

The Minister of National Defence is assigned relevant responsibilities in the administration of the following legislation and regulations:

- *Aeronautics Act*
- *Auditor General Act*
- *Canada Elections Act* S.C. 2000 C. 9 (Under the general direction of the Chief Electoral Officer, DND administers the Special Voting Rules (Part II of the Act) as they relate to Canadian Forces electors.)
- *Canadian Environmental Assessment Act*
- *Canadian Environmental Protection Act 1999*
- *Canada Evidence Act*
- *Canadian Forces Superannuation Act*
- *Defence Services Pension Continuation Act*
- *Department of Public Works and Government Services Act*
- *Emergencies Act*
- *Emergency Preparedness Act*
- *Employment Equity Act*
- *Fisheries Act*
- *Garnishment, Attachment and Pension Diversion Act*
- *National Defence Act*
- *Official Languages Act*
- *Pension Benefits Division Act*
- *Visiting Forces Act*
- Governor-In-Council Order excluding DND and the CF from the *Nuclear Safety and Control Act* and regulations made pursuant to that Act.

Organizational Chart

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graph TD; MNDef[Minister National Defence] --- Ombudsman; MNDef --- DMND[Deputy Minister National Defence]; MNDef --- CDS[Chief of the Defence Staff]; MNDef --- MPCC[Military Police Complaints Commission]; MNDef --- CGB[CF Grievance Board]; DMND --- ADMIM[Assistant Deputy Minister Information Management]; DMND --- ADMICPEP[Assistant Deputy Minister Office of Critical Infrastructure Protection & Emergency Preparedness]; DMND --- ADMP[Assistant Deputy Minister Policy]; DMND --- ADMAT[Assistant Deputy Minister Materiel]; DMND --- ADMFCS[Assistant Deputy Minister Finance & Corporate Services]; DMND --- ADIME[Assistant Deputy Minister Infrastructure and Environment]; DMND --- ADMHR[Civilian]; DMND --- ADMHR[Military]; CDS --- JAGC[Judge Advocate General]; CDS --- DCD[Deputy Chief of the Defence Staff]; CDS --- CMS[Chief of the Maritime Staff]; CDS --- CLS[Chief of the Land Staff]; CDS --- CAS[Chief of the Air Staff]; CDS --- DGPA[Director General Public Affairs]; CDS --- CRS[Chief Review Services]; VCD[Vice Chief of the Defence Staff] --- CFPM[Canadian Forces Provost Marshall]; ASSTST[Assistant Deputy Minister Science and Technology];
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The organizational chart illustrates the hierarchy of the Department of National Defence. At the top is the Minister National Defence, who oversees several key positions: the Ombudsman, the Deputy Minister National Defence, the Chief of the Defence Staff, the Military Police Complaints Commission, and the CF Grievance Board. The Deputy Minister National Defence manages six Assistant Deputy Ministers: Information Management, Office of Critical Infrastructure Protection & Emergency Preparedness, Policy, Materiel, Finance & Corporate Services, Infrastructure and Environment, and Human Resources (Civilian). The Chief of the Defence Staff oversees the Judge Advocate General, the Deputy Chief of the Defence Staff, the Chiefs of the Maritime, Land, and Air Staffs, the Director General Public Affairs, and the Chief Review Services. A Vice Chief of the Defence Staff oversees the Canadian Forces Provost Marshall. An Assistant Deputy Minister for Science and Technology is also shown at the bottom level.



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Internet sites on the World Wide Web

Department of National Defence

www.forces.gc.ca

Defence Plan On-Line

www.vcds.forces.gc.ca/DPOnline/main_e.asp

Office of Critical Infrastructure

www.ocipep-bpiepc.gc.ca/

Protection and Emergency

Preparedness

Communications Security Establishment

www.cse.dnd.ca/

National Search and Rescue Secretariat

www.nss.gc.ca/

Office of the Ombudsman for National

www.ombudsman.forces.gc.ca/

Defence and the Canadian Forces

Office of the Judge Advocate General

www.forces.gc.ca/jag/welcome_e.html

Defence Research & Development

<http://www.drdc.dnd.ca>

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