

National
Defence

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Department of National Defence

2004–2005

Report on Plans and Priorities

The Honourable Bill Graham, P.C., M.P.
Minister of National Defence

Canada 

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Minister's Message

I am honoured to present to Parliament the 2004-2005 Report on Plans and Priorities for the Department of National Defence.

Over the past few years, I have had the opportunity to see first-hand the dedication, professionalism and outstanding work performed by the members of the Canadian Forces. Whether it is in Afghanistan, Bosnia, Haiti or here at home, I have witnessed the real and significant difference the Canadian Forces have made in the lives of people in need throughout the world. I have also witnessed the great respect that the international community has for Canada as a result of the contributions made by the Canadian Forces to international peace and security.

The Department of National Defence and the Canadian Forces are integral to the overall agenda established by the Government of Canada. In addition to working closely with other government departments and agencies to enhance the safety and security of Canadians in Canada, Defence also has a key role to play in strengthening our relationship with the United States and in restoring Canada's place in the world.

In order to contribute to the government's forward-looking agenda, however, we must ensure the Department and the Canadian Forces are prepared to address the significant challenges that they face now and will face in the years to come.

September 11, 2001 demonstrated just how dangerous and unpredictable the world is today. Threats posed by global terrorism and failed states are of paramount concern worldwide and have a direct impact on our domestic and continental security, our relations with our closest allies and partners, and how we protect and project our interests and values abroad.

The increased volatility of the international system has also produced greater demands on the Canadian Forces. Since the end of the Cold War, the number of operations in which our military has participated has tripled compared to the period between 1945 and 1989. At the same time, the government has called on the expertise of the Canadian Forces here at home on an unprecedented number of occasions over the past decade – whether it was the Saguenay and Manitoba floods in 1996 and 1997, the 1998 ice storm in Eastern Canada, the forest fires in British Columbia or the hurricane in Nova Scotia. This unforeseen demand on the Canadian Forces has had an impact on the organization, particularly our men and women in uniform and their families.

The international operations undertaken by the Canadian Forces have also become more complex, difficult and dangerous. Today, our troops are often deployed where there is little or no peace to keep. Canadian Forces members frequently find themselves in situations where lawlessness prevails and no central control over armed factions exists. Military operations are also being affected by rapid technological change, which is resulting in more sophisticated, potent weaponry and new ways of conducting operations.



In order to position Canada and the Canadian Forces to meet these and other challenges, the government is undertaking a comprehensive review of Canada's place in the world. Building upon our "3-D" approach to international affairs – that is the integration of our diplomacy, defence and development efforts – the Minister of Foreign Affairs is conducting an International Policy Review, in collaboration with myself and the Ministers of International Trade and International Cooperation. This review focuses on a wide range of issues, including assessing international security threats, developing a more integrated approach to managing our relationship with the United States, and determining how we respond to an unpredictable world.

We are also moving forward with a Defence Policy Review, which will enable us to define a new defence policy for Canada, well-adapted to the challenges of the 21st century.

Broadly speaking, the Defence Policy Review will identify Canada's key defence priorities and requirements. It will, in other words, help us determine what kind of military Canada we will need in the future. The Defence Policy Review will describe our military's traditional roles of protecting Canada and Canadians, defending North America in cooperation with the United States, and contributing to international peace and security. It will also establish the most appropriate balance between our continental and foreign responsibilities. More specifically, the review will provide details on the government's plan to increase the size of the Canadian Forces by 5,000 Regular and 3,000 Reserve personnel.

Building on the consultations that were carried out as part of the 2002 Defence Update, as well as the extensive work that has been undertaken by parliamentary committees and other security and defence stakeholders, we are now in the process of finalizing our review of Defence. Once completed, it will be submitted for parliamentary review and consultation. At that time, the public should have an opportunity to provide input.

As we develop our new defence policy over the coming months, our people remain our number one priority. This means building on, and sustaining, the excellent work that has been done in the areas of quality of life, health care, training and professional development. Simply put, ensuring that our people have the support and skills required to operate effectively in the new international security environment will be critical to the Canadian Forces' ability to deliver on Canada's defence and security commitments.

Taking care of our people also means taking steps to mitigate the impact of operations on our members and their families. Although the Canadian Forces have always delivered when called upon, we must do a better job in balancing operational deployments with family life and training needs. With this in mind, we have begun to reduce our operational commitments and are undertaking a regeneration period for the Canadian Forces. In addition, Defence is focusing its recruitment and retention efforts on military trades under pressure to ease the current strain on our uniformed members.



In order to operate effectively in the new international security environment, the men and women of the Canadian Forces must also have modern and capable equipment. Since December 2003, this government has committed more than \$7 billion for new equipment for the Canadian Forces, including the Maritime Helicopter Project, Mobile Gun System, Joint Support Ship and Fixed-Wing Search and Rescue Aircraft. This is not to say, however, that the modernization of our military is complete. Pending the outcome of the Defence Policy Review, our priority is to invest in the right mix of relevant capabilities to meet Canada's defence and security commitments in a new century.

Finally, in moving Defence forward, we must ensure maximum results for every tax dollar spent. We will manage our resources effectively by allocating funds from lower to higher priorities, conducting government business with transparency and accountability, and always complying with the highest ethical standards. Canadians demand, and deserve, no less.

I am strongly committed to working with the civilian and military members of the Defence Team to fulfill these priorities and, in so doing, prepare the Department of National Defence and the Canadian Forces to meet the challenges of the future.

The Honourable Bill Graham, P.C., M.P.
Minister of National Defence



Management Representation Statement

I submit, for tabling in Parliament, the 2004–2005 Report on Plans and Priorities for the Department of National Defence.

This document was written in compliance with the reporting principles and disclosure requirements set out in the *Guide to the Preparation of the 2004–2005 Report on Plans and Priorities*.

- It accurately portrays the organization's plans and priorities.
- Its information on spending plans is consistent with the directions provided in the Minister of Finance's budget and by the Treasury Board of Canada Secretariat.
- It is comprehensive and accurate.
- It is based on sound departmental information and management systems.

The reporting structure on which this document is based has been approved by Treasury Board Ministers and is the basis of accountability for the results achieved with the resources and authorities provided.

W. P. D. Elcock
Deputy Minister
September 2004



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An electronic version of this report is available at:

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

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Section 1: Planning Overview

The Departmental Context

Raison d'être

The mission of the [Department of National Defence](#) (DND) and the [Canadian Forces](#) (CF), and of the organizations and agencies that make up the full Defence portfolio (collectively referred to as "Defence"), is to defend Canada and Canadian interests and values, while contributing to international peace and security.

The Defence portfolio

The Defence mission is carried out by DND, the CF and several related organizations and agencies, including the [Communications Security Establishment](#) (CSE), and [Defence Research and Development Canada](#) (DRDC).

As well as the Environmental Commands (that is, the Navy, Army, and Air Force), the CF includes the following support organizations and services:

- 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](#);
- Chaplaincy services;
- Extensive communications networks in Canada and abroad;
- Firefighting services;
- Medical and dental services, since CF members are excluded from the [Canada Health Act](#) of 1984 and the Treasury Board-sponsored Public Service Health Care Plan;
- The [Canadian Cadet Program](#) and the [Junior Canadian Rangers](#);
- The [Canadian Defence Academy](#);
- The Canadian Forces Grievance Authority;
- The [Canadian Forces Housing Agency](#); and
- The [Canadian Forces Personnel Support Agency](#).

Defence also includes the following organizations that report directly to the Minister of National Defence:

- The [Canadian Forces Grievance Board](#);
- The Office of the [Judge Advocate General](#);
- The [Military Police Complaints Commission](#);
- The Office of the Department of [National Defence and Canadian Forces Ombudsman](#);



- The [National Search and Rescue Secretariat](#); and
- The [Office of the CSE Commissioner](#).

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. The Minister of National Defence has specific responsibilities under that Act, and responsibilities for the administration of other statutes, regulations and orders (see Section 5 of this report).

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](#). Specific accountability for results and associated performance measurements at the organizational level of the Assistant Deputy Ministers and the Environmental Chiefs of Staff are detailed in the [Defence Plan On-Line](#). An organization chart of DND is found in Section 5 of this report.

Key partners

DND and the CF work with a range of Canadian and international partners that help support the Defence mission, programs and activities. The broad scope of the department's mandate is reflected in the complexity and diversity of our partners and stakeholders, such as the following:

- Parliamentarians, including the [Standing Committee on National Defence and Veterans Affairs](#) and the [Senate Committee on National Security and Defence](#);
- Other federal government departments and agencies, particularly Foreign Affairs Canada, the [Canadian International Development Agency](#), [Public Safety and Emergency Preparedness Canada](#), [Fisheries and Oceans Canada](#), [Environment Canada](#), [Veterans Affairs Canada](#), [Public Works and Government Services Canada](#), [Industry Canada](#), the [Department of Justice](#), [Canadian Heritage](#), [Citizenship and Immigration Canada](#), [Transport Canada](#), the [Treasury Board of Canada Secretariat](#), the [Privy Council Office](#), the [Department of Finance](#), the [Public Service Human Resources Management Agency of Canada](#), [Health Canada](#) and the [National Research Council Canada](#);
- Provincial, territorial and municipal governments;
- Industry stakeholders and Canadian non-governmental organizations and citizens' groups, such as the [Defence Industry Advisory Committee](#), [the Conference of Defence Associations](#), the science and technology community, the [Institute for Research on Public Policy](#), the [Canadian Institute of International Affairs](#), and the [United Nations Association in Canada](#);
- Labour unions;
- Learning organizations and the Canadian academic community;
- Canadian and international news media;
- Representatives of foreign governments and armed forces; and
- The United States, particularly through the [North American Aerospace Defence Command](#) (NORAD); other allies and like-minded countries, through multilateral organizations such as the [North Atlantic Treaty Organization](#) (NATO), the [United Nations](#) (UN), and the [European Union](#) (EU); and intelligence-sharing partners.

The partnerships and relationships initiated, developed and maintained by Defence help support broader government efforts and priorities, and ensure horizontal co-ordination and co-operation on a range of



security and public safety issues. In today's security environment, where the distinctions between domestic and international issues are disappearing, new and innovative partnerships and approaches are required. For Defence, this presents unique opportunities, including exploring ways to use our resources more strategically and to improve support to Government of Canada priorities and to the needs of Canadians.

Benefits and results for Canadians

Every day, DND and the CF make important contributions to the safety, security and well-being of Canadians. This is done through many continuing and evolving commitments at home and abroad.

With deployments in fiscal year 2004–2005 of more than 3,800 personnel on 16 international missions, and 45 attachés at 31 diplomatic missions covering 133 countries, Defence plays a key role in enhancing Canada's reputation and promoting Canada's interests and values abroad. Our contributions to global peace and security help to stabilize war-torn areas, secure trade and commerce, and promote human rights, freedom and democracy. By helping to address instability and conflict at their source, the Canadian Forces contributes to the safety and security of Canadians.

Canada also benefits from close co-operation with the United States in defence of North America. Through our continental-defence partnership, we gain inestimable operational and training experience, have a say in decisions that affect our security, share defence-related information and intelligence, and gain access to important technologies and the large U.S. defence market.

At home, the Canadian Forces protects Canadians and Canadian sovereignty by monitoring and patrolling our coastlines, territory and air space. The CF delivers disaster relief when needed, routinely supports other government departments and agencies, and helps enforce Canadian law in our jurisdiction. Defence is linked to Canadian communities from coast to coast by more than 300 Reserve units, 165 Canadian Ranger patrols, over 1,100 Cadet units and 100 Junior Canadian Ranger patrols. Defence also provides opportunities in isolated communities across Canada, especially Aboriginal communities, through the [Canadian Rangers](#) and the [Junior Canadian Ranger Program](#). There are currently 3,000 Junior Canadian Rangers in 100 remote and isolated communities across Canada, in addition to the 4,000 Canadian Rangers located in 165 of those communities.

As Canada's largest public sector employer and the second-largest employer in Canada, Defence has a major direct impact on the country's economy. Including the Regular and Reserve components of the CF, and the civilian employees of DND and the portfolio agencies, Defence employs about 100,000 people. We also invest billions of dollars in defence-related industries, such as aerospace, shipbuilding and electronics, and in industries that supply goods and services such as construction, fuel supply, and transport.

Defence helps make Canada a leader in learning by fostering professional development and education through the [Canadian Defence Academy](#) and its components (e.g., the Royal Military College of Canada), and through occupational training at CF schools. Defence also promotes education and research in defence and security among Canadians through the Security and Defence Forum. As a major federal sponsor and advocate of research and development, Defence contributes to Canadian innovation through the work of [Defence Research and Development Canada](#) on projects such as fuel cell research that have a positive impact on the environment.

Defence also performs an extensive environmental stewardship role, collaborating with other government institutions and non-government organizations to protect significant ecological areas such



as the Garry Oak Ecosystems in British Columbia, the St. Charles Tall-Grass Prairie Range in Manitoba, wetlands of international significance in Quebec, and the habitats of species at risk on Defence lands throughout the country.

Through the Office of the [Judge Advocate General](#), Defence sets an example for the world in military justice. As the Right Honourable Antonio Lamer stated in his report, "... as a result of the changes made by Bill C-25, Canada has developed a very sound and fair military justice framework in which Canadians can have trust and confidence."¹ Chief Justice Lamer also observed that these changes have not gone unnoticed in other countries; indeed, in the conclusion of his report, he noted that "[it] is not surprising that observers from other countries see it as a system that their country might wish to learn from."²

Through the work of the CF at home and abroad, Defence has become an important part of Canada's history, heritage and identity. With a presence in every province and territory, and in most major communities, and through our participation in deployments abroad, Defence is one of Canada's most visible national institutions.

The Planning Context

The Defence planning context includes a wide range of domestic and international factors. To carry out our mandate successfully, we must continually study national and international trends and developments, and assess the implications they may have for our policies, programs and activities. In addition, the Government is conducting an International Policy Review and Defence Policy Review, which will have a major impact on our activities.

The assessment of our strategic environment helps to shape our priorities and set the future course of the institution within the parameters set by government, and a thorough understanding of our planning context helps to ensure that DND and the CF are prepared to meet Canada's current and future defence and security needs.

Over the coming year, key planning considerations for Defence include:

- The International Policy Review/Defence Policy Review;
- The National Security Policy;
- The international security environment and the impact on domestic security;
- Developments in the U.S. and in Canada-U.S. relations;
- Developments in [NATO](#), at the [UN](#) and the [EU](#);
- The international campaign against terrorism;
- Operational tempo;
- Transformation;
- Demographics and the changing face of Canada; and
- Fiscal priorities, resource stewardship and reallocation.

¹ The First Independent Review by the Right Honourable Antonio Lamer, P.C., C.C., C.D., September 3, 2003, p. 1.

² *Ibid.*, p. 111.



The International Policy Review/Defence Policy Review

The Government is undertaking a comprehensive review of Canada's place in the world. The Minister of Foreign Affairs is leading the development of an integrated and coherent international policy framework for diplomacy, defence, development and trade, in collaboration with the Ministers of International Trade, National Defence, International Cooperation and Finance. One of the main objectives of the review is to identify Canada's defence priorities. National Defence is also moving ahead with its own defence policy review, which will enable us to define a new defence policy for Canada, well adapted to the challenges of the 21st century. The principles and initiatives set out in the Government's National Security Policy will also inform both the International Policy Review and the Defence Policy Review.

The National Security Policy

The National Security Policy is a long-term framework focused on three national security interests: protecting Canada and Canadians at home and abroad; ensuring that Canada is not a base for threats to our allies; and contributing to international security. It provides a blueprint for action in six key areas: intelligence, emergency management, public health, transportation, border security, and international security. It also states that national security will be a top priority of the international policy review. Among the main defence-related initiatives are: Defence participation in the creation of an Integrated Threat Assessment Centre, and an enhanced role in maritime security for the Navy.

In December 2003, the government established a new Department of [Public Safety and Emergency Preparedness](#) to protect against and respond to domestic security threats and natural disasters. Defence is one of many federal departments and agencies that have contributed to the safety and security of Canadians for many years, most recently through the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP)³. The increased focus on domestic security offers opportunities to re-examine how we contribute to security at home, including looking at the role and capacity of the Reserve component of the Canadian Forces.

The international security environment and domestic security

The events of September 11, 2001 showed us that the world is still a dangerous and unpredictable place. Given the pre-eminence of the U.S. in the international system, Washington's worldview has significant implications for international security. The international security environment is characterized by terrorism, regional and inter-state tensions, and the proliferation of all kinds of weapons.

We now face a new kind of terrorism that aims to cause mass casualties and cripple economies. The main security challenge at the dawn of the 21st century is centred on terrorist cells that can operate in the mountains of Afghanistan as well as in the cities of Europe and North America.

While the number of inter-state wars has declined since the end of the Cold War, the regional tensions that have developed from the Middle East and south Asia to the Korean Peninsula and Taiwan do not bode well for the future. Continued instability in parts of Africa, South America and Asia suggests that the civil wars and failed states that have so preoccupied the global community over the past fifteen years will persist.

³ The integration of the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) into the new Department of Public Safety and Emergency Preparedness (DPSEP) was announced in the Throne Speech of February 2, 2004.



Weapons of mass destruction, whether chemical, biological, radiological or nuclear, are at the centre of most discussions on the new security environment. The proliferation of technologies for both the weapons themselves and their delivery systems will continue, and the potential acquisition of weapons of mass destruction by terrorist organizations is of international concern. For Canada, the notion of terrorists armed with such weapons is genuinely alarming.

Taken together, these developments have increased concerns over asymmetric threats, heightened the profile of domestic security, and caused nations to reassess the roles of armed forces within their borders. These issues also may have significant repercussions for Canada, and the government will continue to receive demands for action in managing their consequences through military intervention, development aid or diplomacy.

Canada also faces threats that are not associated with deliberate hostile action, such as the spread of disease. The outbreak of Severe Acute Respiratory Syndrome (SARS) in the Toronto and Vancouver areas demonstrated that disease respects no borders and, assisted by modern international travel, can have devastating consequences not only for the health of Canadians but also for our economy. Combined with concerns over international crime and cyber-terrorism, such issues heighten the profile of domestic security and reinforce the potential of global issues to affect the security of Canadians directly and immediately.

Developments in the United States and in Canada-U.S. relations

The government is committed to developing a more sophisticated approach to managing the relationship between Canada and the U.S., and Defence is one of many federal departments and agencies with an important role to play.

Canada and the U.S. have a strong and longstanding defence and security relationship that spans more than 60 years. After September 11, 2001, in response to the threat of terrorism, the U.S. became more assertive both in North America and overseas, a change that has deeply influenced that dynamic relationship.

Since September 11, 2001, the Air Force has taken part in the NORAD operation *NOBLE EAGLE*, under which U.S. and Canadian fighter aircraft have flown approximately 34,000 sorties and have been diverted from their patrols more than 1,700 times in response to potential threats.

For continental defence, 2004 will mark the initial deployment by the U.S. of a [ballistic missile defence system](#). In May 2003, Canada announced it would enter into discussions with the U.S. on possible Canadian participation in ballistic missile defence of North America. In January 2004, former Minister of National Defence David Pratt and U.S. Secretary of Defense Donald Rumsfeld exchanged letters expressing a joint interest in exploring possible Canadian participation, and setting out an agreed path for further discussions. The primary goal of these discussions is to seek an agreement that ensures the protection of Canadians, preserves the central role of NORAD in North American defence and security, and provides a framework for industrial and technical co-operation. In August 2004, Canada and the U.S. amended the NORAD agreement to allow NORAD's missile warning function to be made available to U.S. commands responsible for missile defence.

The government has indicated its intention to make a decision on possible Canadian participation in the missile defence system once discussions are complete and Parliament has been consulted.

The [Bi-National Planning Group](#), formed to enhance continental defence co-operation, will continue its work on maritime defence and support to civilian agencies at least until December 2004, by which time



both governments will have to decide on its future. Canada has also accepted a U.S. invitation to participate in the Proliferation Security Initiative designed to address the proliferation of weapons of mass destruction.

These developments provide unique opportunities for Canada in defence and security relations with the U.S., our closest ally.

Developments in the North Atlantic Treaty Organization, the United Nations and the European Union

In support of the government's commitment to enhance Canada's reputation on the world stage, Defence will continue to work with NATO, the UN and the EU.

One of the most important initiatives arising from the Prague Summit of 2002 was the decision to create a NATO Response Force (NRF) to provide the alliance with a critical capability for rapid response to international emergencies and security challenges. The Government of Canada fully supports this initiative, and intends to contribute sea, land and air forces. Canada also intends to be a NATO leader in military transformation, especially in the development of new military operating concepts and experimentation. To promote this agenda, Canada will host an international conference on Concept Development and Experimentation, to be held in Calgary in November 2004 under the aegis of the NATO ACT-US Joint Forces Command.

In 2004–2005, the key CF activity relating to NATO will be the maintenance of a tactical reconnaissance group with ISAF in Afghanistan. In the fall of 2004, Canada will also resume participation in the Standing Naval Force Atlantic.

Canada is working to enhance ties with the EU while the European Security and Defence Policy is being refined. Canada will support this initiative as long as it complements NATO activities and resources.

Canada's commitment to the United Nations includes continuing work toward the goal of a rapid deployment capability. Consequently, the planned Canadian contribution to the [Multinational Standby High Readiness Brigade](#) (SHIRBRIG)⁴ will include a task-tailored helicopter unit and an infantry battle group, both capable of responding within 30 days. The establishment of the initial deployment capability for these forces is planned for late 2005.

The international campaign against terrorism

Canada will continue to play a major role in the international campaign against terrorism.

Between October 2001 and October 2003, more than 7,000 Canadian sailors, soldiers, and air personnel deployed to the Gulf region and Afghanistan under *Operation APOLLO*. Under the follow-on mission, *Operation ALTAIR* (which began in January 2004 with the deployment to the Gulf of HMCS *Toronto*), Canada will periodically deploy a warship with a U.S.-led coalition fleet.

In August 2003, under [Operation ATHENA](#), Canada deployed an infantry battalion group and a brigade headquarters to the Afghan capital of Kabul, forming the backbone of the [International Security Assistance Force](#) (ISAF), a UN-mandated NATO formation. A tactical airlift detachment is supporting

⁴ SHIRBRIG is an established but non-standing multinational brigade-sized force created to provide a rapid deployment capability for 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.



both *Operation ATHENA* in Afghanistan and, when required, humanitarian efforts in Iraq. The first rotation of *Operation ATHENA* in Afghanistan was the largest single Canadian military deployment since the Korean War, and the Canadian contingent was the largest national contribution to ISAF. Our military presence in Afghanistan is an integral component of the Government of Canada “3D” (Diplomacy, Development and Defence) approach to restoring peace, security and stability to that country, and to ensuring that it does not again become a haven for terrorism. Canadian operations in Kabul are scheduled to continue until August 2005. Our total contribution to ISAF after August 2004 will be approximately 800 troops, including a Reconnaissance Squadron Group in Afghanistan and support personnel based in the Gulf region.

Operational tempo

Canada’s contribution to ISAF is another demonstration of our continuing commitment to the campaign against terrorism. Operating as it does in a dangerous and unstable region, ISAF requires fully combat-capable soldiers with strong negotiation skills as well as empathy for the local people. Our soldiers’ excellence in all these areas is recognized throughout the world; however, while we are performing with distinction in ISAF, *Operation ATHENA* is straining the CF, particularly the Army.

The demands of the high operational tempo on CF personnel and equipment, especially since the start of the campaign against terrorism, have given rise to the need for an operational pause to regenerate the skills and capabilities of military personnel and units, to refurbish, replace and upgrade equipment, and to achieve an appropriate balance between the demands of military service and the needs of CF members and their families. During this period of regeneration, the CF will have limited capacity to generate deployable forces.

Canada is not alone in this situation. The decreasing international demand for military participation in peace-support operations in Afghanistan, Africa and elsewhere presents challenges to NATO, the UN and many of our allies.

As a result of the extended period of high operational tempo, Canada will have to be more strategic and focused in responding to requests for forces after this summer, when *Operation HALO* will conclude and the size of Task Force Kabul will be reduced.

Transformation

While trying to keep up with the demand for military operations, Defence (like all military organizations) is having to respond to the challenges posed by the evolving security environment and rapidly changing technology. In fact, transformation has been identified as a key Defence corporate priority, and as such is discussed in detail in Section 2.

Demographics and the changing face of Canada

Demographic changes in the Canadian workforce will challenge Defence human resources managers as retirements increase and the proportion of young people in the Canadian population (i.e., those between the ages of 16 and 30, the traditional pool of potential recruits for both the CF and the Public Service) decreases. Canada’s ethno-cultural mosaic is also changing, with immigration from non-European countries increasing and more Canadians than ever belonging to visible minority groups. These developments mean that Defence will need to strengthen human resources planning. As a start point, in recognition of changes in the labour market and to cultivate diversity, Defence will continue its diversity



recruitment initiatives, which are designed to reach groups that are underrepresented in the Defence workforce.

Fiscal priorities, Budget 2004 and resource stewardship

Budget 2004 reflects the government's commitment to Defence and recognizes our role in enhancing Canada's place in the world and ensuring the safety of Canadians. The budget introduced new funding to address the operational needs of the CF and to modernize and acquire key capabilities, and a tax break for CF members deployed overseas in recognition of their special contribution. These financial measures will help relieve the financial pressures associated with operations, and allow us to ensure funding is available for other Defence priorities.

The government is also clearly committed to enhancing accountability, financial responsibility and ethical conduct, and is introducing a range of measures to ensure the appropriate stewardship of Canadian taxpayers' money.

As part of this effort, the government has introduced the Expenditure Review Committee to assess all programs and expenditures to ensure that spending is both controlled and closely aligned with evolving government priorities. The work of the Expenditure Review Committee includes horizontal reviews of capital assets, procurement and contracting, information management and information technology services, infrastructure, and professional services.

To increase accountability and transparency, by the fall of 2004 the government will have implemented the Management, Resources and Results Structure (MRRS) to replace the 1996 Planning, Reporting and Accountability Structure (PRAS). The MRRS will require departments to link actual and planned spending to strategic objectives with clear performance measures and results. Defence supports this initiative fully, and will respond with information that facilitates the linking of resources to results.

In addition to contributing to government-wide efforts in this area, Defence continually seeks ways to optimize resource management. We accomplish this by focusing on reallocation, sound comptrollership, and management accountability. Taken together, our activities in these areas will help improve Canada's defence capabilities while ensuring greater accountability in the stewardship of public funds, consistent with government priorities and Canadians' expectations.

Lessons learned and new directions

With an eye to continuous improvement, DND and the CF consistently monitor efficiencies and assess our compliance with government-wide regulations and policies. Over the past year, various Defence organizations have studied their activities and identified ways to perform better so they may improve their support in areas ranging from administration to operations to quality of life. For example, below are several initiatives that will produce administrative efficiencies and better management accountability:

- The [Minister's Advisory Committee on Administrative Efficiency](#) conducted an independent review of administrative efficiencies and reported ways to achieve savings, especially in the National Capital Region. When fully implemented — and the implementation plan is in development — the committee's recommendations are expected to realize \$85 million in recurring savings.
- Since undertaking its Modern Comptrollership Capacity Check in 1999, DND has promoted "Modern Management in Defence". By focusing its energies on a key set of management activities



(specifically, the HR Strategy, Modern Comptrollership, the Integrated Defence Management Framework and the Information Management Strategy), DND has disseminated Modern Management objectives throughout Defence. The Modern Management in Defence program ended on March 31, 2004 to make way for the [Management Accountability Framework](#) (MAF), which includes a government-wide set of principles supporting management excellence. Fiscal 2004–2005 will be pivotal for DND, as this is the year when we focus on improving management accountability and integrate the MAF into DND management processes.

- By using a Treasury Board-approved, results-based management and accountability framework, Defence has confirmed that its \$2-million Security and Defence Forum program is meeting its overall objectives, and that the government is receiving value for money. The Security and Defence Forum provides funding to Canadian universities and students to promote study and research in defence issues relevant to Canada now and in the future. This program gives universities academic freedom while ensuring accountability through annual reports that are evaluated by an independent committee.
- The entire federal government advertising community, including Defence, recently faced numerous challenges regarding the contracting, management and placement of advertisements. The Assistant Deputy Minister (Public Affairs) (ADM (PA)) Advertising Group not only underwent an internal audit by the [Chief of Review Services](#), it was also part of the government-wide audit conducted by the [Office of the Auditor General](#). Based on the internal management reviews conducted by ADM(PA) and the recommendations from the external audits, ADM(PA) Advertising Group has implemented measures to improve its business practices. These measures include: strengthening its work requisition process, improving internal controls over advertising expenditure, encouraging and funding specialized training for advertising staff, and ensuring compliance with Treasury Board contracting rules and regulations.

Operationally, Defence is changing as a result of performance assessments and lessons learned from operations. For example:

- Because of the high operational tempo and recent changes in the security environment, the [Deputy Chief of Defence Staff](#) (DCDS) Group has executed a significant restructuring to clarify responsibilities for the command and control of deployed operations and for force generation. This resource-neutral organizational change will permit the DCDS to focus more fully on ensuring success in operations while also concentrating on the transformational elements of joint force development.
- Great value is derived from the CF Lessons Learned process, which provides an aggressive continuous-learning system to foster success in operations. For example, the use of a Theatre Activation Team in establishing the Canadian mission in Afghanistan greatly enhanced the operational readiness of the troops deployed with the first rotation. The lessons learned from the beginning of *Operation ATHENA* will be applied in future operations.
- Concern has been developing with respect to changes in the nature of military operations (e.g., asymmetric threats, information operations, intelligence gathering), and the level of legal support provided to the Canadian Forces Information Operations Group (CFIOG) to handle matters involving the law of information operations. This emerging legal discipline was considered sufficiently important that the JAG decided last year to give CFIOG the legal resources it needs to manage the heightened demand for advice in this increasingly relevant area of military operations. Operations-related legal services are expected to expand further in the coming year to support this



growing area of client interest, and it is likely that a JAG Directorate of Law/Intelligence and Information Operations will be established.

DND has improved the quality of life of CF members through health care and pension reform, changed its recruiting approach, and provided the CF with an effective grievance resolution mechanism. Budget 2004 also introduced a tax exemption for Canadian Forces personnel deployed on certain overseas missions. The following points highlight some of these initiatives:

- Reports from the Department of National Defence and Canadian Forces [Ombudsman](#) (OMB), the Chief of Review Services, the [Croatia Board of Inquiry](#) and Assistant Commissioner (Retired) Lowell Thomas of the RCMP indicate that the CF lacks sufficient mental-health management capability to satisfy the requirements of a modern armed force. The steadily increasing demand for mental health services can be attributed to the increased operational tempo of recent years, the delayed appearance of symptoms of stress injuries, and the success of concerted efforts to raise awareness and encourage afflicted personnel to come forward and use mental health treatment services. In September 2003, in response to these findings, the Mental Health Project was endorsed for further departmental consideration. This initiative includes enhancing the current CF mental-health capability through the development of a concept of operations, the establishment of a mental-health structure, and the optimization of mental-health resources available to the CF.
- To provide timely, effective responses to complaints received in the Office of the Ombudsman (OMB), which are increasing in volume, the Ombudsman's investigators have been divided into two specialized teams. The Special Ombudsman Response Team investigates complex, systemic issues, while the General Investigations Team handles other complaints less formally. Each year, the OMB receives about 1,600 complaints related to benefits, release, harassment, postings, and many other issues.
- The Conflict Management Program, with 16 Dispute Resolution Centres across the country, will continue to promote the use of Alternative Dispute Resolution (ADR) through communication, training and education, and to offer intervention services including coaching, workplace assessment and mediations. Defence encourages the use of ADR at any stage in a conflict, starting at the earliest and lowest levels. The Dispute Resolution Centres facilitate ADR processes that help parties design their own solutions. The parties to a conflict gain an opportunity to rebuild trust and restore their working relationship when they resolve their differences constructively.
- A modern, effective pension plan is one of the keys to ensuring that the CF acknowledges the needs of its members and the unique characteristics of military service. The amendments to the [Canadian Forces Superannuation Act](#) contained in Bill C-37, which received Royal Assent on November 7, 2003, are intended to bring CF pension arrangements into line with current DND human resource objectives and initiatives, to acknowledge the unique situation of all CF members, and to ensure competitiveness with the pension plans offered by other large Canadian employers. The amendments include:
 - the linking of pension eligibility directly to years of CF service, rather than to the period of time for which the member has agreed to serve (known as "terms of service");
 - entitlement to an immediate unreduced pension at 25 years of paid CF service;
 - the setting of the vesting period (i.e., the length of time required to qualify for a pension benefit) at two years;



- the ability to transfer the value of pension benefits to other retirement savings vehicles;
- the provision for serving members to choose to retain their current benefits; and
- pension coverage for the Reserve Force.
- Recognizing that CF personnel must often carry out their duties in dangerous environments, the federal government announced, in Budget 2004, a tax exemption for CF members and police officers to all deployments except those deemed low-risk. About 3,000 CF members and police officers deployed on high risk and current moderate-risk operations will benefit from the exemption, including personnel deployed in Afghanistan, Bosnia-Herzegovina and Haiti. This tax relief will apply to income up to the highest level of pay earned by a non-commissioned CF member — approximately \$6,000 per month — and to both federal and provincial income taxes. Depending on the nature and quality of the mission where they are deployed, CF members may also be eligible to receive the Operations Foreign Service Premium, and hardship and risk allowances.
- In the past, people were recruited into the CF and despatched to training establishments through a system that matched intake with training capacity. This system did not maximize recruiting because applicants were deferred when the training establishments were filled, with the frequent result that high-quality potential recruits lost interest and withdrew their applications. To counter this problem, qualified applicants are now enrolled as they appear and immediately scheduled for the next available basic recruit course. Upon graduation, they go to the applicable training establishment or school where they wait for their next course to begin. While this system ensures more recruits for the CF, it also means more personnel awaiting training. To solve this problem, the CF Support and Training Group (CFSTG, which trains about 50 percent of CF personnel) adopted a more direct, focused management approach. On 1 April 2003, CFSTG established the Post-Recruit Education and Training Centre to provide personnel waiting for their basic military occupation course with local on-job training and experiential training, such as general military skills, second language training and generic computer skills.
- CF recruiting staff need to be aware of cultural differences, and are taught the history of Canada's multicultural evolution, a variety of communication styles, and the advantages of a multicultural, mixed-gender military force. In order to reflect inclusiveness, recruiting is actively seeking CF members from all ethnic and cultural backgrounds, and both men and women to serve as recruiters.

These are but a few examples of how Defence is maintaining an institutional culture of continuous learning. We are working toward meeting the government-wide standards, and are establishing and reconfiguring our internal processes and programs to ensure that Defence continues to learn from experience and take advantage of new ideas.

Challenges and Risks

Against the backdrop of continuous learning and new directions, Defence must also assess the various challenges and risks that we face as an institution. Doing so is critical to ensuring that we respond to the challenges, mitigate the risks, and exploit opportunities to the benefit not only of Defence, but also the government and the Canadian public.



Regeneration of CF members

The “operational pause”

The most significant risks for which Defence is responsible are those faced by CF personnel on operations. The CF has specific, well-practised procedures to identify, classify and manage operational risks. The dangers to be encountered in a war zone are reduced but not eliminated by these procedures and the associated actions of operational commanders.

Also from an operational perspective, the high operational tempo and the continuing shortage of CF members who are ready and able to deploy hinder the ability of Defence to respond to demands for assistance, sometimes even to support deployed operations. A period of regeneration is now required to bring the CF into compliance with the policy of the Chief of the Defence Staff that requires at least 12 months between overseas missions for all personnel.

Should an emergency occur, the CF will respond. Moreover, domestic operations are not affected by the regeneration period. The effects of this regeneration will be as follows:

- The ability to deploy a naval task group of several ships, with their embarked air detachments of one or two helicopters each, will be restored by November 2004. Until then, only one ship will deploy at a time.
- The Army will resume its high-readiness tasks in July 2005, and will be able to deploy two battalion groups at a time by February 2006. Until then, the Army will be able to deploy only one task force at a time, of no more than 500 soldiers and in one main location.
- Since 2001, the requirement for the Air Force to provide comprehensive support at unprecedented levels to wide-spread theatres and domestic surveillance operations has severely strained its personnel and resources. To regenerate its capabilities to expected levels of availability and readiness, the Air Force is modernizing entire fleets and rebuilding the aircraft technician personnel base.

Professionalization of the Military Police

The implementation of the [Occupational Specification Implementation Plan](#)⁵ for Military Police and Military Police Officers provided guidance for the reform of the Military Police. The funding of the OSIP initiatives, and the transfer of the Managing Authority and the Canadian Forces Military Police Academy, is critical to the professionalization of the Military Police.

Other regeneration requirements

Another source of risk to the CF is insufficient or inadequate doctrine on joint operations and on interoperability with allies. The development of validated and accepted joint doctrine and future concepts (such as Joint Operating Concept 2012) addresses this risk directly. Seamless interoperability can be achieved only through continuous effort in equipment acquisition, doctrine development and training.

⁵ The MP OSIP Team was formed on June 1, 2000 to act on recommendations from the Report of the Somalia Inquiry, the Dickson Report, the Belzile Report, Bill C-25 and the Security Officer and Military Police Occupational Analysis.



DND and the CF plan to acquire or upgrade equipment that will contribute to modernizing and transforming the CF. For example, Defence is moving ahead with the Mobile Gun System and enhanced C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance) capabilities. However, despite current efforts to increase capital procurement, Defence will face major challenges arising from aging weapons systems, the rapid pace of technological change, and the cost of new weapon systems will pose major challenges. To support decision-makers faced with the inevitable difficult choices, a progressive [Strategic Capability Investment Plan](#) (SCIP) for the next 15 years has been designed to guide the strategic investment of limited resources in capital requirements.

Defence civilians

The [Public Service Modernization Act](#) will be integral to changes in Public Service management that will require the realignment of civilian human resources policies and practices, while improving service delivery, measuring results, and increasing the emphasis placed on our collective ability to carry out human resources planning. These challenges will be compounded by the reality of a civilian workforce that is expected to grow as Defence converts contractor positions to employee positions. Challenges can also be expected from streamlining and transforming our way of managing human resources, tasks that include exploiting information management and information technology (“E-HR” or Electronic Human Resources) as key enablers in delivering better human resources management services.

Furthermore, ongoing workload pressures combine with the implementation of HR Modernization to increase pressure on our service delivery system. Defence HR service centres have much less capacity to respond to client demand than similar centres in other departments of similar size.



Section 2: Plans and Priorities

Introduction

Each fiscal year, Defence planning is influenced by our planning context, including the current government agenda. In response, we establish priorities to guide our initiatives for the year ahead.

Defence realizes its planned initiatives through the five capability programs.⁶ Ultimately, the capability programs — Conduct Operations, Generate Forces, Sustain Forces, Command and Control, and Corporate Policy and Strategy — enable Defence to carry out its mission of defending Canada and Canadian interests and values, while contributing to international peace and security.

The capability programs are outlined in the Defence Plan On-Line, which is the Defence Business Plan for execution in the current fiscal year and the planning guidance for the subsequent three years. It sets out the assignment of tasks and initiatives to senior managers, describes horizontal priorities and indicates resource allocations.

Further details on Defence Planning and Management may be found on the Internet at: www.vcds.forces.gc.ca/dpm/.

Corporate Priorities for Defence

The four key Defence corporate priorities for fiscal year 2004–2005 were set in response to the risks, challenges and opportunities we face. These priorities reflect strategic choices that cut across the entire Defence portfolio and reflect areas that the Minister of National Defence and senior Defence leaders have identified as requiring action, development and improvement. The activities and initiatives supporting these priorities are discussed throughout this report.

The Defence corporate priorities are as follows:

- Adapt to the evolving security environment and enhance strategic relationships;
- Transform and modernize the Canadian Forces;
- Develop and support a professional, effective, sustainable Defence Team; and
- Maximize effectiveness in the management of resources.

Adapt to the evolving security environment and enhance strategic relationships

If Defence is to remain relevant and continue to make significant contributions to domestic and international safety and security, it must continue to adapt to the evolving security environment and enhance its strategic relationships. DND will make the following contributions to this priority:

- Contribute to the international campaign against terrorism;
- Contribute to the international policy review and carry out a Defence Policy Review;

⁶ The five results-oriented capability programs of Defence are directly equivalent to what Treasury Board refers to as “business lines” or “strategic outcomes”, in that they functionally reflect the department’s priorities and management philosophy.



- Promote key international defence and security relationships;
- Enhance the Defence intelligence capacity;
- Strengthen defence and security arrangements with the U.S.; and
- Expand strategic partnerships with other government departments, other levels of government, and the private sector.

We will participate in the development of an integrated and coherent international policy framework for diplomacy, defence, development and trade, as part of the International Policy Review. One of the main objectives of the review is to identify Canada's defence priorities. National Defence is also carrying out a Defence Policy Review, which will enable us to define a new defence policy for Canada, well adapted to the challenges of the 21st century.

We will continue to contribute to the international campaign against terrorism, mostly through *Operation ATHENA* and *Operation ALTAIR*. We will also strengthen our defence and security arrangements with the United States, including NORAD, and promote other key international defence and security relationships. We will take part in the planning process for Rotation 6 of the NATO Response Force in 2006, which will involve Canada in a series of training and evaluation exercises scheduled for July to December 2005. Upon completion of this validation, the NATO Response Force will be ready for deployment whenever it is needed.

In addition, Canada's participation in the U.S.-led Joint Strike Fighter (JSF) program, which is intended to usher in a new generation of avionic sensors, stealth and manufacturing technology, will continue to generate significant financial benefits for industry, provide the CF with important information, and establish useful co-operative relationships with other partner nations. The JSF program has a high profile in the U.S. and is considered a model for future co-operative programs.

Particularly in light of the government's new [National Security Policy](#), we will also enhance our intelligence, research and development, and emergency response and management capabilities to improve our response to the changing security environment. As part of this effort, Defence will expand its strategic partnerships with other government departments, other levels of government, and the private sector as much as is appropriate.

For example, [Defence Research and Development Canada](#) (DRDC) will lead or participate in horizontal science and technology (S&T) initiatives that belong under the Public Security and Anti-Terrorism umbrella — that is, projects such as the Chemical, Biological, Radiological and Nuclear (CBRN) Research and Technology Initiative, the Counter-Terrorism Technology Centre, and the Public Security Technology Program.

Transform and modernize the Canadian Forces

The transformation and modernization of the CF is essential to ensuring that Defence continues to protect Canadians and Canadian interests at home and abroad. Today's evolving security environment requires that CF strategic planning efforts be focused on the capabilities needed to meet Canada's current and future needs. In support of this priority, Defence will:

- Focus strategic planning efforts on the required capabilities;



- Enhance the capability to operate effectively in joint, interagency and multinational environments; and
- Actively shift resources and effort from lower to higher priority initiatives to accelerate the pace of transformation.

The transformation process will be a series of incremental changes that takes the CF from capabilities designed for the Cold War and traditional peacekeeping to those designed for current and future operations. Transformation will not, however, involve the wholesale re-equipping or restructuring of the CF. A particularly high priority is enhancing the capability to operate effectively in joint, interagency and multinational environments. The transformation process will take time and require difficult choices.

With transformation and modernization as guiding principles, Defence will ensure that the CF remains relevant and effective to meet the challenges of the future, both at home and abroad. By aligning our capabilities with our fiscal and security realities, we will improve our ability to defend Canada's national and international interests. The foundation for this longer-range vision is outlined in the Strategic Operating Concept, and the transformation and modernization processes will be informed by the international and defence policy reviews. For more information on transformation and modernization initiatives, see "Generate Forces", discussed below under "Capability Programs".

Develop and support a professional, effective, sustainable Defence Team

If Defence is to meet its current requirements and prepare for the future, it must develop and support a professional, effective, sustainable Defence Team. This task requires us to improve our recruitment and retention processes and modernize our human resource management. In support of this priority, Defence will:

- Align recruitment and retention processes to better meet our needs;
- Modernize human resource management;
- Encourage and support continuous learning;
- Continue to strengthen military health care;
- Advance leadership through the promotion of diversity and inclusiveness in the workplace;
- Improve our bilingual capacity; and
- Promote wellness and health.

The most important activity, however, will be to impart to CF members a heightened understanding of the military ethos and the requirements of their profession. To this end, the CF manual *Duty With Honour: The Profession of Arms in Canada* establishes the intellectual and doctrinal foundations for all CF personnel and professional development policies. Its articulation of Canadian military values, coupled with the tenets of the military ethos affirms the critical importance of moral qualities for Canadian Forces members in peace, at war, and for operations other than war. Like *Canada's Army*, *Duty With Honour* provides an essential doctrinal underpinning to a professional, effective, sustainable national defence.



Maximize effectiveness in resource management

Given the evolving security environment, government-wide priorities, and current fiscal reality, meeting Canadians' defence and security needs requires the effective management of resources. The Defence response to this priority is as follows:

- Enhance management excellence by implementing the Comptrollership Action Plan⁷ and a focus on strengthening accountability and controls;
- Implement the new information management strategy and governance recommended by the Department's Information Management Strategic Review; and
- Pursue a culture of excellence in internal communications.

Defence will enhance management excellence by implementing *Strengthening Accountability and Comptrollership in National Defence*, and the Management Accountability Framework (MAF) from Treasury Board Secretariat. The focus of these programs is on strengthening accountability and controls, particularly in the area of financial management and contracting. Defence is increasing its efforts to ensure compliance at all levels of the institution with the *Financial Administration Act*. Financial accounting and reporting systems are being upgraded to improve visibility and control. We will also improve the effectiveness of information sharing by implementing the new Information Management strategy and governance, and in internal communications.

⁷ The Comptrollership Action Plan is now embedded in *Strengthening Accountability and Comptrollership in National Defence*.



Relationship between Corporate Priorities for Defence and Capability Programs

The following “crosswalk” table was developed to show the relationship between Defence corporate priorities and capability programs. This link ensures that high-level performance measurement and resource information for corporate priorities and related initiatives are reported through the capability programs.

CORPORATE PRIORITIES AND RELATED INITIATIVES	CAPABILITY PROGRAMS					
	CONDUCT OPERATIONS	GENERATE FORCES	SUSTAIN FORCES	COMMAND AND CONTROL	CORPORATE POLICY & STRATEGY	TYPE OF PRIORITY
Adapt to the evolving security environment and enhance strategic relationships						
• Contribute to the international campaign against terrorism	♦			♦		O
• Contribute to the International Policy Review and carry out a Defence Policy Review					♦	O
• Promote key international defence and security relationships	♦			♦	♦	O
• Enhance the Defence intelligence capability				♦		
• Strengthen defence and security arrangements with the U.S.	♦				♦	O
• Expand strategic partnerships with other government departments, other levels of government and the private sector	♦			♦	♦	O
Transform and modernize the Canadian Forces						
• Focus strategic planning efforts on the required capabilities					♦	O
• Enhance the capability to operate effectively in joint, interagency and multinational environments	♦			♦	♦	O
• Actively shift resources and effort from lower to higher priority initiatives to accelerate the pace of transformation		♦	♦	♦	♦	O/N
Develop and support a professional, effective, sustainable Defence Team						
• Align recruitment and retention processes to better meet our needs		♦	♦		♦	O
• Modernize human resource management			♦		♦	O
• Encourage and support continuous learning		♦	♦			O
• Continue to strengthen military health care		♦	♦		♦	O
• Advance leadership through the promotion of diversity and inclusiveness in the workplace		♦			♦	O
• Improve our bilingual capacity					♦	N
• Promote wellness and health			♦		♦	O
Maximize effectiveness in resource management						
• Enhance management excellence by implementing the Comptrollership Action Plan ⁸ and a focus on strengthening accountability and controls					♦	O
• Implement the new IM strategy and governance					♦	O
• Pursue a culture of excellence in internal communications					♦	O
Legend: O = Ongoing N = New						

⁸ The Comptrollership Action Plan is now embedded in *Strengthening Accountability and Comptrollership in National Defence*



Capability Programs

Conduct Operations

The capability to conduct operations effectively at home and abroad is provided by efficient, professional maritime, land and air forces supported by many partners and agencies. It includes a variety of activities ranging from international operations in conjunction with NATO and the UN to continental NORAD operations to domestic operations such as surveillance and control of Canadian territory.

Plans

Defence will continue to maintain appropriate readiness levels in order to participate in a wide range of ongoing operations and commitments at home and abroad.

Domestically, the CF will maintain surveillance and control of Canadian territory by means of monitoring, control and protection of Canadian approaches and territories. In particular, the [Navy](#) will maintain a “ready duty” warship on each coast, and a Maritime Operations Centre operating 24 hours per day, seven days per week. Similarly, the [Army](#) will provide an appropriate response to conduct land-based operations. The [Canadian Rangers](#) will, as well, increase its northern patrols. The Air Force will continue to monitor and control Canada’s airspace and maritime approaches.

The CF will continue to maintain [Search and Rescue](#) (SAR) resources at appropriate levels of readiness. The [Air Force](#) will achieve full operational capability with the [Cormorant](#) SAR helicopter early in fiscal year 2004–2005. This very capable aircraft has enhanced SAR capability and coverage throughout our large area of responsibility. The Fixed Wing SAR project (that is, the project to replace the [CC-115 Buffalo](#)) will ensure that SAR coverage does not decline while our air fleets are regenerating and evolving. This continuity of service will be accomplished in co-operation with civil authorities including the Canadian Coast Guard and the [Civil Air Search and Rescue Association](#). For more information on the [National Search and Rescue Secretariat](#) and National Search and Rescue Program, see “Selected Defence Portfolio Organization” at the end of this section.

The CF will also continue to assist other government departments and agencies (e.g., the [Royal Canadian Mounted Police](#) (RCMP), [Public Safety and Emergency Preparedness Canada](#) (PSEPC)) and other levels of government in support of efforts such as ground searches, drug-interdiction operations, disaster relief, law-enforcement operations, fisheries and environmental protection, and official events.

Defence will also remain prepared to assist national civil authorities in areas such as support for international events in Canada (e.g., summits and sporting events), and to provide Aid of the Civil Power when requested.

With respect to continental defence, the CF will continue to provide aerospace surveillance and control of North America by participating in *Operation NOBLE EAGLE*, a combined U.S.-Canada operation conducted under NORAD.

Defence will also maintain forces to support a range of international operations, and will be prepared to:

- Deploy forces globally, as directed by government, to participate in operations under NATO, the UN, or other coalition auspices;
- Support Canada’s commitments to NATO and the UN by making maritime, land and air forces available to provide a rapid response capability for use in international emergencies and other security challenges. This task includes preparations beginning in 2005 to make a major contribution



to the Serial 6 of the NATO Response Force, which will begin in January 2006. Canada is also involved in the [United Nations Standby Arrangement System](#) (UNSAS), and will maintain forces for potential UN operations in accordance with the Rapid Deployment Level (RDL) concept. Given the current operational tempo for the CF, however, and the Army's need for an operational pause after August 2004, the inclusion of an infantry battalion group and a helicopter unit to the stand-by commitment will not occur until the summer of 2005.

- Deliver funds and materials from the [Canadian International Development Agency](#) (CIDA) to civil-military (CIMIC) co-operation projects in theatres of operation, and participate in the development of a Canadian CIMIC strategy;
- Provide humanitarian assistance and conduct disaster relief activities in Canada and anywhere in the world, including assisting civil authorities in providing humanitarian relief of human suffering, medical assistance, and re-establishing local infrastructure through the [Disaster Assistance Response Team](#), possibly as part of an international joint and combined force; and
- Evacuate Canadians from foreign countries threatened by imminent conflict, in conjunction with the military forces of other nations.

Finally, the CF will also continue to participate in [arms control and verification missions](#) in support of Canada's political and legal obligations and rights under several international treaties and agreements, including the [Conventional Forces in Europe Treaty](#), the [1999 Vienna Document](#), the [Dayton Peace Accords](#), the [Chemical Weapons Convention](#) and the [Treaty on Open Skies](#). These missions involve ground and air inspections, evaluations and the deployment of observation teams around the world, and are sometimes conducted on short notice.

For more information on the activities related to the Conduct Operations capability program, see the [Defence Plan On-Line](#).

Priorities

Defence will continue to contribute to the protection of Canadian interests and values at home and abroad within the confines of our operating budget, and the availability of trained personnel, materiel and other resources. For a map locating current international deployments that are expected to continue into fiscal 2004–2005, and detailed descriptions of mission and the resources allocated to each, see Section 5.

The international campaign against terrorism

In fiscal year 2004–2005, the highest priority for the Conduct Operations capability program is still the international campaign against terrorism. Most of our contribution to that struggle will be made through *Operation ATHENA* and *Operation ALTAIR*. Our ability to conduct operations will be further strengthened by efforts to enhance our capabilities for intelligence, research and development, and emergency response and management.

NATO operations

Under *Operation ATHENA*, Canada became an important contributor to ISAF.

Apart from the international campaign against terrorism, Defence will continue to work with international organizations such as NATO and the UN to bring security and stability to many parts of the



world. The CF expects to deploy on a similar number of international operations in fiscal year 2004–2005 (in fiscal year 2003–2004, the CF contributed to 16 missions), but on a smaller scale. However, depending on evolving world events and government direction, the CF could deploy on more missions, different missions, or both.

In conjunction with our allies, we will also reduce the CF commitment to SFOR in Bosnia-Herzegovina. Canada has been a major contributor to international efforts to bring peace and stability to the Balkans since February 1992; since then, more than 40,000 Canadians have served in Bosnia-Herzegovina. As part of the overall reduction in NATO forces in the region, and as an indicator of the success achieved to date, the CF contribution to SFOR was reduced from 1,250 to 650 personnel in early 2004, and a further reduction to 80 personnel is planned for late 2004, when NATO intends to hand over leadership of operations in Bosnia-Herzegovina to the European Union.

UN operations

Defence will continue to share expertise with the UN to ensure that *Operation DANACA* in the Golan Heights remains efficient and effective, and to develop stronger diplomatic arrangements in the Gulf region and other strategically significant regions. Defence will also continue to engage new peacekeeping partners such as Japan, Mexico and Jamaica.

As part of our ongoing commitment to the UN, Canada remains committed to the [Multinational Standby High Readiness Brigade](#) (SHIRBRIG) and continues to contribute to its preparedness for operations. In December 2003, a Canadian brigadier-general assumed command of this formation for a term of two years.

Wherever it develops, in the Middle East, in the Great Lakes region of Africa or south of the Sahara, or in other areas of the world, socio-political instability calls for peace-support forces. As a leading member of the community of nations, Canada is expected to provide forces, as we saw most recently in Haiti with Operation HALO, the CF deployment to help establish a secure environment there.

Planned results

The ability to conduct operations effectively is critical to Defence, as effective operations are our most visible way to make a difference, and to contribute to the protection of Canadians at home and project Canadian interests and values abroad. The desired outcome of these initiatives is that the CF can employ the range of military capabilities required to achieve success on assigned missions, when and where directed. Taken collectively, our efforts will ultimately contribute to increasing Canada's influence and reputation in the world.

Our priorities for fiscal year 2004–2005 are consistent with those for 2003–2004, especially ensuring the safety and security of Canadians through our participation in the international campaign against terrorism, and introducing public health and safety initiatives.

To maintain capabilities in this area over the long term, we must continually assess overall program performance. The performance measurement areas for the Conduct Operations program include meeting readiness levels, capability requirements and domestic and international obligations, and maintaining the ability to deploy on and sustain operations.

Performance on planned results will be monitored through the Performance Measurement Process.



Resources

CONDUCT OPERATIONS: TOTAL SPENDING NET OF REVENUES					
(\$000's)	ACTUAL SPENDING 2003–04	ACTUAL SPENDING WITHOUT OCIPEP 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Departmental Spending	4,756,637	4,639,965	4,691,816	4,382,411	4,415,288
Capital Spending (included in Departmental Spending)	968,796	968,796	980,842	901,533	920,377
Human Resources - Military FTEs	18,898	18,898	19,910	20,110	20,110
Human Resources - Civilian FTEs	421	421	404	404	404

Note:

As part of the Government's restructuring of Departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness. Figures depicting actual spending for 2003-04 are presented both including and excluding OCIPEP.



Generate Forces

The Generate Forces capability program gives Defence personnel, equipment and organizational structures needed to carry out its mission. This capability program includes recruiting, training and deploying combat-capable maritime, land and air forces, and meeting readiness levels related to force generation, retention, equipment modernization, and mobilization.

Plans

Defence plans to maintain a trained joint force capable of supporting a wide range of defence tasks with the following capabilities: the conduct of a broad range of military operational duties; that is, joint command and staff, counter terrorism, C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance), geometrics, intelligence, military engineering, space and imaging, and medical operations in support of DND/CF operations. The personnel production and assignment systems, which integrate the recruitment, training, assignment and release of personnel, must be managed efficiently to support these capabilities.

At the same time, Defence must ensure that the joint forces are provided with the modern, multi-purpose, cost-effective equipment they need to accomplish their assigned tasks. The effective implementation of the Strategic Capability Investment Plan will provide the tools to ensure these objectives are met.

DRDC supports military operations and evaluates defence-related technologies and equipment that can contribute to Canada's current and future defence capabilities. DRDC scientists analyze emerging defence trends, concepts and technologies for potential application in DND/CF tasks. Through its contracted research program, DRDC engages industry and academia in a variety of programs that are highly significant to national defence and security. DRDC is also a leader in [Canada's Innovation Strategy](#). Resource information on DRDC is set out in Section 4.

To address the challenge of introducing new technology, doctrine and organizations, Defence has adopted a process for [concept development and experimentation, and modelling and simulation](#). The [Canadian Forces Experimentation Centre](#) was created to bridge the gap between the strategic capability planning process and service-level doctrine, and to facilitate timely, seamless integration of new capabilities into the CF. Its initial operational capability was achieved in November 2003, and full capability is expected in late 2005.

A description of these initiatives and more is available on the [Defence Plan On-Line](#).

Priorities

In fiscal year 2004–2005, Defence will continue to focus its strategic planning efforts on the capabilities required to generate forces. We will do so by concentrating resources in high-priority initiatives to accelerate the pace of transformation. As part of these efforts, we will align our recruitment and retention processes more closely to our needs.

Defence has several force-generation initiatives under way to address issues of affordability, sustainability, force structure and interoperability with key allies. These initiatives include the development of a financial sustainability framework (the SCIP), a National Procurement Oversight Committee, and the Reserve Restructuring Initiative. Defence will also continue to ensure that, in the context of the current NATO Force Structure Review, we can meet our future NATO readiness levels



within established commitments and resources. Finally, Defence is in the process of developing *Strategy 2025* to be completed during fiscal year 2004–2005. [Strategy 2020](#) is available on-line.

Transformation and modernization

The CF must continue to transform and modernize itself in the areas of training, doctrine, organizational structure and equipment if it wants to remain relevant on the world stage, meet a variety of simultaneous international and domestic demands, and operate with our allies. This last objective is particularly significant in the context of our relationship with the U.S. and NATO, given our close defence relationships and shared defence commitments, including frequent overseas deployments with U.S. forces and those of other NATO allies.

Military human resources initiatives related to transforming the CF include:

- A review of the military human resources system (to be conducted through the Human Resources System Transformation Project) to optimize CF human resources processes and practices;
- The implementation of a modernized, operational, cost-effective military occupational structure (Military Occupational Structure Analysis, Redesign and Tailoring ([MOSART](#)) Project) to be completed in March 2007; MOSART will provide a multi-level assessment of the current policy framework of the military occupational structure (MOS) by investigating whether the current MOS supports the CF mission and vision to the best advantage and, if not, how it might be changed to do so more effectively;
- The completion of an Employment Systems Review of all CF policies, programs and processes to identify and eliminate potential systemic barriers to the employment of members of groups designated as underrepresented by the *Employment Equity Act*. The CF Employment Systems Review will cover formal and informal policies, procedures and practices related to:
 - recruitment, selection and enrolment;
 - training and development;
 - career management and promotions;
 - re-engagement and release;
 - other working conditions such as attitudes, culture, and inclusiveness; and
 - reasonable accommodation of the special needs of persons in designated groups.
- The CF Pension Modernization Project was established to modernize all pension arrangements for members of the CF, both regular and reserve members. Legislative approval was obtained in late 2003 and the regulatory framework is currently under development. Implementation of the reserve pension will occur in 2005.

In response to the *Public Service Modernization Act*, Defence will enhance the delivery of HR services to civilian employees by:

- Completing service-delivery improvements related to HR Modernization, including: revamping the Human Resources Management policy framework, and establishing a reform action plan by 2007, in pace with the Treasury Board Secretariat reform agenda.



A key priority for Defence is to accelerate the pace of transformation and modernization by reallocating resources from low-priority initiatives to higher priorities. This is particularly true of our program of major capital projects, which is being strengthened by focusing modernization efforts with capital spending levels in accordance with the SCIP.

The [SCIP](#) is part of a long-term strategy to re-equip the CF and ensure that we have the capabilities needed for the challenges of the future. It constitutes a major step forward for Defence and signals the move to a much more strategic, top-down approach in capabilities-based planning. It identifies the need for a holistic approach to capability investment that includes initiatives ranging from investments in personnel, infrastructure and technology capabilities to the acquisition of new equipment. Although it sets out the departmental high-level plan for investment in defence capabilities over a 15-year period, it is flexible enough to adapt to new policy directions in the future.

As outlined in the initial version of the SCIP, which focuses on capital equipment spending, the following major projects are priorities:

- **[Maritime Helicopter Project \(MHP\)](#)**: Replacing the Sea King fleet with new, multi-purpose maritime helicopters continues to be one of the CF's most pressing acquisition needs. In December 2003, the government issued the Request for Proposals for the MHP. The primary goal of this project is the procurement of: 28 fully integrated maritime helicopters, a simulation and training suite, integrated logistic support, ship modifications, and a 20-year in-service support contract. After a thorough pre-qualification and bid evaluation process, the Government of Canada announced, on 23 July 2004, the selection of the H92 proposed by Sikorsky International Operations Inc. as the winner. Plans are underway to establish formal contracts for the next stage of the procurement process. More information on the MHP can be found in Table 3.
- **[Mobile Gun System \(MGS\)](#)**: In October 2003, the government announced its intent to procure 66 mobile gun systems for the CF to give the Army a direct-fire capability consistent with its vision to transform into the medium-weight, information-age force described in the Army Strategy. With the MGS, the Army will be able to retire its fleet of Leopard tanks without losing direct-fire capability. A contract for the procurement of the first 16 vehicles and the associated logistics support is expected to be issued in December 2004 for delivery in 2006.
- **[Joint Support Ship \(JSS\)](#)**: The JSS Project addresses a triple requirement: replacements for the Navy's ageing fleet support ships, an enhanced sealift capability, and support for forces ashore. Fleet support is the key to the success of Canada's naval task groups, as support ships allow destroyers and frigates to remain at sea for prolonged periods. Surge sealift will enable the CF to respond quickly to short-notice taskings, while the support to forces ashore capabilities will provide a joint command and control capability at sea as well as a scalable hospital capability. The development phase of this project is already complete, and DND plans to begin the definition phase in the Fall.
- **High-Frequency Surface-Wave Radar (HFSWR) Network Project**: The aim of the HFSWR Network Project is to establish a network of high-frequency surface-wave radar sites capable of detecting, locating and tracking vessels in near-real time in portions of the Atlantic and Pacific maritime approaches to Canada. This capability will significantly increase maritime domain awareness and enhance the ability of the CF to monitor off-shore fishing activity, to detect and track low-flying aircraft, to counter a variety of maritime smuggling schemes, to assist maritime pollution enforcement, and to contribute to the territorial defence of Canada.



- **Fixed-Wing Search and Rescue Project (FWSAR):** The aim of this project is to acquire a new, off-the-shelf multi-engine aircraft to replace the CC-115 Buffalo (a 1960s-era aircraft) and the CC-130 Hercules transports that currently provide the fixed-wing SAR capability, operating across Canada from four main operating bases. Because the fixed-wing SAR aircraft was identified as one of the top three acquisition needs, the government funded it in the 2004 Budget. The primary goal of the FWSAR Project is the procurement of 15 airframes with SAR sensor equipment, a simulation and training suite, integrated logistic support, and a 20-year in-service support contract. The RFP will be released by March 31, 2005 with the intent of replacing the current SAR aircraft as soon as possible.

In addition to these projects, the Air Force is engaged in major infrastructure, equipment modernization and development projects to allow for eventual divestiture and reinvestment. Air Command will be transformed through projects such as the following:

- The Regional/Sector Air Operations Centre (a NORAD-related project);
- The Air Force Command and Control Information System;
- The Air Force Warfare Centre, an integral component of the CF Experimentation Centre;
- The Incremental Modernization Program, including:
 - The CF-18 Hornet Incremental Modernization Project; and
 - The CP-140 Aurora Incremental Modernization Project.

The Army will implement a Whole Fleet Management system⁹ to ensure more efficient use of equipment for both training and operations.

The status of large major capital equipment projects is available on line at:
http://www.vcds.forces.ca/dgsp/pubs/rep-pub/ddm/dpr2003/srlmp_e.asp.

By following its long-term planning strategy while retaining the flexibility to adjust to new policy directions in the future, Defence will be revitalized through its investment in people and through the acquisition of new, state-of-the-art equipment and the modernization of existing equipment and infrastructure.

Human resources

Military recruitment and retention

Funding requirements for capital projects, operations and other priorities has put pressure on the Defence Budget resulting in an average cap of 62,250 Regular Force personnel and Reserve Class C personnel. Consequently, recruiting will not be maintained at the same levels of the last few years and has now been reduced to a level that exceeds Regular Force personnel attrition only slightly. This approach will allow for a slower, more affordable growth to recovery, and will reduce the strain on the training system. The trade-off however, is that this slower recovery rate will add pressure to the

⁹ Whole Fleet Management is a process for managing major equipment that was put in place to ensure that the Army meets stated operational, training and support requirements in the most supportable, effective and efficient manner. The Whole Fleet Management approach includes redistributing vehicle fleets and establishing operational and training stocks of vehicles and other major equipment.



operational tempo in certain stressed military occupations. These occupations will be closely monitored to ensure that deployability is not limited.

In conjunction with the transformation and modernization initiatives mentioned earlier in this section, the following are other specific military human resource initiatives planned for the near future:

- New terms of service for the Regular Force are being developed to address the retention problem by providing a variety of new types of engagements to suit the needs of the CF and its members. The enhanced terms of service are scheduled for implementation in March 2005.
- A sustainable, flexible policy is being developed to address the time members spend away from home and the generally high workload across the CF, with a view to striking an appropriate balance between the demands of military service and the needs of CF members and their families.
- Implementation is continuing of a retention intervention process that diagnoses and investigates the underlying reasons for high attrition in certain military occupations and the development of suitable corrective policies and practices.
- [As part of the MOSART project, the JAG intends to](#) create a Paralegal MOS to relieve the Legal Officers of the bulk of research and work involved in managing cases and files, thus allowing more time for solicitor-client consultation. Paralegals would deploy with Legal Officers on operations, thereby enhancing both the timeliness and quality of legal services delivered to task force commanders, and assume duties and responsibilities in the military justice system to enhance timeliness in the delivery of advice and services in support of Summary Trials and Courts Martial.
- The Air Force is working in co-operation with the [Assistant Deputy Minister \(Materiel\)](#) to re-let the contract for flying training at Southport, Manitoba, under the Contracted Flying Training and Support project.
- The Army continues to implement Managed Readiness, a Force Generation concept that will ensure soldiers' long-term physical well being and morale, and the effective delivery of capability over longer periods of time.
- The CF will continue active recruitment and retention of members of groups identified as underrepresented, through such initiatives as the Sergeant Tommy Prince Army Training Initiative (targeting Aboriginal people), and will continue to draw on the skills, ideas, experiences and valuable contributions of CF members of a variety of backgrounds. The CF seeks to be an inclusive workforce, representative of Canadian society. Diversity is a source of strength and creativity, and plays a pivotal role in making the CF a modern, forward-looking organization.

Civilian recruitment and retention

Recruitment and retention programs consider future requirements while ensuring that the civilian workforce continues to include the competencies and capacity required to deliver capability outputs at appropriate cost. For planning purposes, the estimated departure rates for the next three fiscal years are as follows:

- 2004–2005: 5.0%;
- 2005–2006: 5.8%; and
- 2006–2007: 6.5%.



Key initiatives in support of [civilian](#) recruitment and retention are as follows:

- Continued implementation of a recruitment strategy to address current critical shortages in the Computer System Administration Group (CS), Engineering Group (ENG), Purchasing and Supply Group (PG), and Ship Repair Group (SR) by March 2006;
- Development and implementation of HR management training for civilian managers by March 2005;
- Development of a civilian HR strategic intake plan that addresses current and anticipated shortages by occupational category and gaps in the mix of required skills to achieve business objectives;
- Promotion of continuous learning by setting an investment target of 4% of departmental salary and a training target of approximately 66% of employees;
- Implementation of the “EX-minus-1” succession plan and development of an “EX-minus-2” succession plan, both by March 2005;
- Enhancement of the delivery of HR services to DND employees by completing service delivery improvements related to HR Modernization, including revamping the Human Resources Management policy framework and establishing a reform action plan in pace with the Treasury Board Secretariat reform agenda, by 2007;
- Continued improvements in the Policy Officer Recruitment and Development Program, an occupational training program that provides a continuous flow of new civilian staff;
- Continuation of the Financial Officer Recruitment and Development Program to develop and retain Financial Officers; and
- Development of a lessons-learned plan from the [Material Group’s](#) “eight months to eight days” staffing initiative, and the launch of a second initiative.

The impending retirements of production workers at the Fleet Maintenance Facilities at Halifax and Esquimalt will produce a need for workforce renewal. The only way to ensure the availability of sufficient skilled tradespeople to maintain the fleet for the next 15 years is to provide in-house apprentice training. For this reason, the FMF Apprenticeship Program is seen as the primary source of rejuvenation for the FMF workforce.

Once candidates are enrolled in the FMF Apprentice Program, retention is very high. The indicator of success is the present composition of the workforce: 75% of production workers, 85% of production managers and a large portion of engineering workers came through the apprentice program. Apprenticeship is a very successful way to develop and retain skilled tradespeople, production supervisors, general managers and senior managers.

Research and development and emergency capabilities

In the field of responding to and managing emergencies, Defence is focusing on developing the overall CF capability to respond to chemical, biological, radiological and nuclear (CBRN) threats; specifically, the Joint Nuclear, Biological and Chemical Defence (NBCD) Company deployable in both domestic and international operations achieved initial operating capability in December 2002, and will be ready for overseas service in January 2005. This enhancement of CF NBCD capabilities will significantly improve



Canada's national response to NBC situations, and provide Canada with an opportunity to make a valuable contribution to multinational operations.

Through the Research and Development (R&D) Program and the leadership by [DRDC](#) of the Chemical, Biological, Radiological and Nuclear Research and Technology Initiative (CRTI), Defence supports the development of improved detection, identification, decontamination and physical protection against chemical, biological and radiological agents.

We will also continue to train both military and civilian first-responders who are likely to be called out for chemical, biological or radiological threats at the Counter-Terrorism Technology Centre (CTTC) located at DRDC Suffield, Alberta. The CTTC also serves as a forensic reference centre, provides a validation capability for CBR equipment and material, and is a source of advice for the first-responder community.

General safety

DND and the CF maintain the [General Safety Program](#) to ensure that safety considerations are incorporated into every aspect of Defence operations, training and support activities. The General Safety Program satisfies legislative requirements while reducing personal suffering and financial losses, improving DND/CF efficiency and operational effectiveness, and contributing to the morale and well being of all Defence personnel.

The overall effectiveness of the General Safety Program is measured at national level on three criteria: accident rates, training feedback, and promotional and motivation feedback. In fiscal year 2004–2005, Defence will continue to use statistics and feedback to improve the program's effectiveness. In response to the program evaluation by the Chief of Review Services, the General Safety Program will continue to strengthen the "safety synergy" created by the 11 safety programs operating in Defence.

The Reserve Force

The [Reserve Force](#) is composed of CF members who are enrolled for part-time and periodic military service. It provides the additional depth and breadth needed to produce the capabilities required at each stage of mobilization. The Reserve Force has four components:

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

Resource information on the Reserve Force is in Section 4.

Primary Reserve

The Primary Reserve augments, sustains and supports deployed forces and performs some tasks that are not handled by the Regular Force. Like the other members of NATO, Canada values its Reserve Force; as the cost of training and paying the Regular Force increases, the Reserve Force is a cost-effective way to meet Canada's defence needs. Defence is exploring ways to enhance the role of the Reserves in civil preparedness and in response to natural disasters and local emergencies.



The elements of the Primary Reserve are as follows:

- the Naval Reserve, commanded by the Chief of the Maritime Staff;
- the Army Reserve (officially known as the Land Force Reserve but commonly called the Militia), commanded by the Chief of the Land Staff;
- the Air Reserve, commanded by the Chief of the Air Staff;
- the Communication Reserve, controlled by the Assistant Deputy Minister (Information Management);
- the Health Services Reserve, controlled by the Director General Health Services; and
- the Legal Reserve, commanded by the Judge Advocate General.

Naval Reserve

The [Naval Reserve](#) provides highly trained, combat-capable sailors for the ships' companies of the Navy's 12 Kingston-class maritime coastal patrol vessels, and to perform coastal operations — (e.g., port security, mine countermeasures and intelligence functions related to naval control of shipping) — that are not normally handled by Regular Force naval personnel. The total strength of the Naval Reserve stands at 3,729 all ranks, including 2,945 effectives and 784 on the Basic Training List. Its current recruiting efforts and emphasis on retention indicate that the Naval Reserve will reach its approved strength ceiling of 5,130 all ranks by 2015. To ensure its long-term viability, Defence has invested in training, long-term retention, leadership and management, and public affairs initiatives for the Naval Reserve.

Army Reserve

The Militia gives the Army its augmentation resources, its mobilization framework, and its connection with Canadians. In October 2000, the Minister of National Defence announced the Land Force Reserve Restructure (LFRR) project, including a strategic plan to make the Militia “relevant, capable, sustained and united”, and a mission to “... develop, as part of the Army, an effective and credible [Army Reserve](#) for the 21st Century, complementary and supplementary to the Regular Force and relevant to the needs of the nation”.

A particularly important priority of the LFRR Project is raising effective Militia strength to achieve a critical mass of 18,500 soldiers. Phase 1 of the LFRR obtained a paid strength of 15,500 in fiscal 2002–2003, a total subsequently reduced by about 1,000 by the creation of the Health Services Reserve. In Phase 2 of the LFRR Project, announced on April 3, 2003, a further growth of 750 soldiers per year was authorized for fiscal 2003–2004 and fiscal 2004–2005, not simply to increase numbers, but to enhance Militia capacity and capabilities.

Air Reserve

The [Air Reserve](#) is fully integrated into the Air Force, an arrangement that permits the Air Reserve to support and participate in routine Air Force operations while relieving pressure caused by the demands of the high operational tempo. The Air Reserve provides more than 33 percent of Air Force personnel assigned to incremental tasks, 10 percent of Air Force personnel deployed overseas on operations, and 25 percent of “backfill” personnel required for force-generation tasks and domestic operations. The Air Force has made it a strategic objective to support policy initiatives that facilitate transfers between its Reserve and Regular components; to this end, the Air Force is sponsoring the harmonization of career policies that restrict movement from one component to the other. The Air Reserve Development



Strategy will continue to build on the successes of the Air Reserve, adjusting as necessary to accommodate changes in the strategic environment.

Communication Reserve

Employment opportunities for Communication Reservists have increased with the formation of the Communication Reserve Information Protection Team (CRIPT), the basis of enhanced Communication Reserve support to the Canadian Forces Information Operations Group in its information-protection function. The addition of a Reserve equivalent of the Communication Research Operator military occupation — R291 — and the consolidation of all activity by Communication Reservists under one organization, will streamline management and focus training and operations. The Communication Reserve Development Plan approved in 2004 gives the [Communication Reserve](#) a strategic plan for the next five years. The employment of augmentation personnel on deployed operations continues at a high rate that is not expected to change in the next year.

Health Services Reserve

The [Health Services Reserve](#) comprises about 1,200 personnel assigned to Health Services units or the CF Health Services Primary Reserve List. The Health Services units of the Primary Reserve (e.g., Reserve Field Ambulance units) train their personnel to support, augment and sustain CF Health Services Group elements on operations, and provide health services support to the Canadian Brigade Group to which they belong. The members of the Health Services Primary Reserve List are employed individually as augmentees on a variety of CF Health Services operations, from clinics in Canada to deployments overseas. Because of the increasing demand for health services support, the Canadian Forces Health Services Group has a mandate to expand and develop both the units of the Health Services Reserve and the Health Services Primary Reserve List.

Legal Reserve

Reserve Force legal officers are qualified lawyers who serve part-time, usually in the same field as their civilian practice. Generally, their careers closely resemble those of their Regular Force counterparts.

Supplementary Reserve

The Supplementary Reserve is composed of experienced CF members who are willing to be recalled for full-time service in an emergency. Supplementary Reservists are required to train and perform their duties only when activated.

Cadet Instructor Cadre

The [Cadet Instructor Cadre](#) (CIC) is made up of officers 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. The CIC Change Management Project has led to the review of all CF policies and procedures that apply to the CIC; it will be completed in 2005–2006.

Canadian Rangers

The [Canadian Rangers](#) provide a military presence in sparsely settled, northern, coastal and isolated areas of Canada that cannot be conveniently or economically covered by other elements of the CF.



Planned results

The ability to recruit, train and retain personnel, and to ensure that the Defence culture reflects Canadian values and expectations, is essential to transformation initiatives in Defence. Equally vital is the ability to research, test and procure equipment to ensure that the CF has modern, reliable, state-of-the-art capabilities.

The activities undertaken by the Generate Forces capability program reflect the emphasis Defence is putting on developing a professional, effective, sustainable civilian and military Defence Team. New capital projects and procurement contracts have been approved to support the CF in the successful completion of its tasks. To this end, the SCIP was developed as an important part of re-equipment efforts.

Performance measurement criteria for this capability program include: meeting readiness levels related to force generation; the extent of recruitment, training and employment, and modernization; and the ability to mobilize.

Performance on planned results will be monitored through the departmental Performance Measurement Process.

Resources

GENERATE FORCES: TOTAL SPENDING NET OF REVENUES					
(\$ 000's)	ACTUAL SPENDING 2003–04	ACTUAL SPENDING WITHOUT OCIPEP 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Departmental Spending	1,707,069	1,707,069	1,992,930	1,944,017	1,964,252
Capital Spending (included in Departmental Spending)	122,096	122,096	173,691	164,546	168,303
Human Resources - Military FTEs	14,223	14,223	13,466	13,466	13,466
Human Resources - Civilian FTEs	3,672	3,672	3,527	3,527	3,527

Note:

As part of the Government's restructuring of Departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness. Figures depicting actual spending for 2003-04 are presented both including and excluding OCIPEP.

The personnel requirements for DND and the CF, expressed in "full-time equivalents" (FTEs), are set out by capability program in Section 3 of this report.



Sustain Forces

The capability to sustain forces is essential to our ability to deploy military forces in Canada and abroad. DND and the CF must be able to sustain the people, equipment, and infrastructure needed to carry out operational tasks and to support and reinforce operational deployments over time. This capability covers such essential services as military health care, equipment maintenance, logistic support to operations, and management of DND realty assets.

Plans

Defence will continue to support its people and provide the resources necessary to ensure their quality of life, especially when they are employed away from home or deployed on operations.

Defence is committed to the maintenance of a work environment that actively encourages organizational and individual learning, promotes leadership and ethical development, and fosters a culture of continuous performance improvement. Defence will provide this environment in the interest of its intent to develop and support a professional, effective Defence Team.

In support of equipment and infrastructure maintenance and renewal, Defence will provide the capability to repair and maintain materiel and information technology infrastructure, systems and applications in Canada and abroad. Defence will also provide the capability to sustain nationally managed equipment through the [National Procurement](#) Program.

Operations will be supported by providing logistics capabilities and resources necessary to support CF deployments over an extended period of time, and by providing military engineering preparation, planning, and support co-ordination for contingency operations.

DND will support Defence infrastructure by providing bases and lodger units with cost-effective, functional buildings and facilities with the associated infrastructure and environment services. DND will also oversee the Canadian Forces Housing Agency.

For a detailed description of these initiatives, see the [Defence Plan On-Line](#).

Priorities

In fiscal year 2004–2005, the priorities for the Sustain Forces capability program will be to continue strengthening military health care and promote wellness and health; to encourage and support continuous learning and ethical conduct; to sustain Defence infrastructure; and to support national procurement and logistics activities.

Human resources

Strengthening military health care

The CF health-care system is dynamic, complex and costly, and has a variety of delivery mechanisms. Just as in the civilian system, health-care costs in the CF are driven by external factors and subject to changes in provincial health care plans. Further, the complexity and expense of military health care are strongly influenced by many factors, especially:

- changing expectations of CF members and senior leaders;



- more demand for pre-deployment screening and post-deployment follow-up, arising from the high operational tempo;
- the requirement to process more recruits;
- technological changes that generate costly diagnosis and treatment methods; and
- changes in demographics and government policy.

The CF has a significant challenge in responding to these changes while maintaining affordable health-care delivery. Project Rx2000 is developing solutions to reported health-care deficiencies, thereby ensuring that CF members receive health care that meets Canadian standards wherever they are serving, at home and abroad. Project Rx2000 activities are organized in four streams:

- building a health care delivery structure that ensures continuity of care;
- implementing an accountability framework;
- establishing programs for health protection, thereby protecting CF members and meeting operational requirements; and
- developing a human resources network to ensure the sustainability of CF health care services.

Promoting wellness and health

If we are to achieve our objectives in the area of developing and supporting a professional, effective, sustainable Defence Team, we must give priority to the wellness and health of our staff.

Many Defence employees occasionally find that problems related to family, finances, stress and illness impair their performance at work. Civilians can find help through the Employee Assistance Program (EAP), a peer-referral program supported by both unions and management that helps employees deal with problems affecting their personal and professional lives. To date, almost 10% of Defence civilians have used the EAP.

Defence is also committed to balance and support in the work environment, and will continue to promote the wellness and health of our civilian workforce by introducing a Well-Being Framework and implementing activities related to well-being that are identified during consultation on the framework. The vision of the Well-Being Framework is to achieve an integrated system of programs, policies and practices that promote the health and well being of civilian employees. Its elements are: leadership, organizational culture, physical environment, leadership and development, work practices, and work-life harmony.

DND is leading a review that will improve the provision of morale and welfare programs for CF members and their families in areas such as: fitness, sports and community recreation; family services; health promotion; and messes and accommodation for CF members.

The Office of the Department of National Defence and Canadian Forces Ombudsman plays an important role in identifying risks and issues related to deployments that affect CF members and their families, such as post-traumatic stress disorder (PTSD) and environmental exposure. The Ombudsman's Office also raises public awareness about issues that affect the welfare of all members of the defence community. The Ombudsman's Office will continue to provide a confidential, objective mechanism through which CF members and Defence civilians can bring problems affecting their well being to



official attention, and to give all members of the Defence Team who seek it concrete, practical advice on individual problems.

Continuous learning and professional development

To encourage and support continuous learning, Defence is changing the way it manages learning. The [Defence Learning Network](#) (DLN), a joint military and civilian initiative to support learning, commenced in July 2004.

For Defence civilians, learning and professional development objectives will be achieved through support for the Materiel Group Training Centre at the Asticou Centre in Gatineau, Québec.

For CF members, learning and professional development objectives will be achieved through the following initiatives:

- By November 2004, reviewing and, if necessary, redesigning the [Personal Enhancement Program](#) to ensure that it meets the requirements of both the CF and CF members, and to ensure that proper governance is in place. Because of the unique exigencies of military service, CF members are often challenged to achieve their personal learning goals and, eventually, to make the transition to civilian work. To help CF members overcome these challenges, the Personal Enhancement Program offers career transition services, recognition for military training and experience, and opportunities for educational upgrading. The program encourages CF members in their pursuit of self-improvement and assists them by providing financial support.
- The CF is modernizing learning delivery mechanisms to ensure that courses and learning opportunities are available to all members, whatever their location or duty schedule. Learning materials are being revamped so large portions can be delivered by distance-learning technologies. Residential courses are decreasing while recognition of the value of extra-military experience, education and training is increasing.
- The CF is taking a new approach to career-long learning and professional development. In the interest of transforming the CF into an “employer of choice”, the complete range of compulsory professional development courses for commissioned and non-commissioned members is now, or soon will be, completely revamped. The Canadian Defence Academy helps CF members of all ranks and occupations get the professional development they need, when they need it, and in the form that best supports their careers, while accommodating CF operational commitments and their impact on our people. To do so, the Canadian Defence Academy aims to structure its programs and courses for a variety of participation options and to ensure that, where possible, members are given credit for prior learning and qualifications.

Infrastructure

Defence faces a challenge in the overall decline in the condition and suitability of its realty assets (i.e., land, buildings and facilities). Continuous under-investment affects the condition of realty assets, increases the risk of non-compliance with a wide range of municipal, provincial and federal legislation and regulations, reduces the life expectancy of buildings and facilities, and eventually results in higher recapitalization costs. These factors make significant negative impacts on quality of life, health, safety and workforce productivity.

To deal with this problem, DND is developing a Realty Asset Management Framework (RAMF), an integrated model for managing realty assets designed to increase efficiency by analyzing the delivery of



management services to identify the best ways to use private-sector resources and capabilities and existing partnerships. The RAMF will include the Realty Asset Strategy (RAS), to be developed by December 2004. Based on the SCIP and Strategy 2020, the RAS will align corporate strategic objectives, priorities, and capability-based planning concepts to guide investment in realty assets. Finally, we will implement the Infrastructure Reduction Plan to reduce infrastructure holdings by 10% by March 2005.

Contaminated sites

Defence lands contain about 950 known or suspected contaminated sites. Clean-up of contaminated sites is managed through the following initiatives:

- Group and Command environmental programs;
- The Corporate Environmental Program;
- The Distant Early Warning Line Clean-up Project;
- The Decommissioning Program; and
- The Federal Contaminated Sites Accelerated Action Plan.

More than 200 sites on land and 50 sites off the Atlantic coast are being investigated for the presence of unexploded ordnance ("UXOs"; e.g., bombs, mines and ammunition). The 50 investigations off the Atlantic coast are focused on top-priority sites selected from a preliminary total of about 600 sites because of the potential risk to the public and the environment indicated by historical information. Physical examinations are being conducted to quantify the risk accurately so appropriate risk-mitigation measures can be taken. The other suspected sites off the Atlantic coast are not considered to pose a similar level of risk and are therefore of lower priority, but they may be investigated in the future if new information indicating such action is received. Defence is also investigating similar potential sites off the Pacific coast, but this work is still at the stage of reviewing historical information. The potential liability arising from UXO sites is of significant concern to Defence.

For more information on Defence infrastructure and environment initiatives, visit:

<http://www.forces.gc.ca/admie/admiee.htm>

National procurement and logistics support

Defence will continue to encourage the use of innovative best practices in procurement to make the acquisition process faster and more cost-effective. Initiatives include:

- **Total Package Procurement**, in which the front-end suppliers are held accountable for the commitments provided to us with initial goods or services, and for the cost of supporting the product supplied. The Maritime Helicopter Project is a "total package" procurement.
- **Optimized Weapons Systems Management**, in which many small support contracts are bundled into two or three large contracts that last five to ten years, thus reducing administration costs and giving industry an incentive to invest for the long term. The CF-18 modernization contracts are structured this way.
- **Major Service Contracts**, in which Defence works with industry to complement our internal capabilities for the provision of major services, and build on the successes of initiatives such as the



Contracted Airborne Training Services Project and the Canadian Forces Contractor Augmentation Project.

The Department is continually improving the materiel acquisition and support process. Initiatives include advancing ongoing procurement reforms such as preference for commercial-type, “off-the-shelf” products, enhancing support for project-management offices, reforming DND approval processes, and enhancing financial management tools to permit consistent representation of risk when costing large projects and to ensure consistent estimates of in-service support costs. We continue to monitor and report progress in our efforts to reduce the acquisition cycle time by 30 percent. We have developed a new process to accelerate project completion, which we will continue to implement over the coming year.

The Materiel Acquisition and Support (MA&S) Optimization Project ([MASOP](#)) was initiated in 2003–2004 to develop integrated, cost-effective and efficient MA&S system to support force generation, employment and sustainment with a focus on warehousing and distribution, petrol, oil and lubricants, clothing, ammunition, calibration and quality assurance. The goal is to generate recurring savings of \$46 million per year by the end of fiscal 2005–2006.

We are also working toward the issue of MA&S Functional Planning Guidance to provide direction on the planning, conduct and management of MA&S activities (e.g., acquisition, distribution, maintenance and disposal of material) throughout Defence.

Initiatives are under way to improve the management, allocation and reallocation of funds and resources in the National Procurement and Capital programs. The National Procurement Oversight Committee (NPOC) has completed a detailed review and analysis of the National Procurement Program, and has recommended some key changes to make the program more affordable. For information on materiel management, procurement and contracting, visit: http://www.forces.gc.ca/admmat/site/index_e.asp

Planned results

The abilities to sustain personnel, repair and maintain equipment, provide logistical support to operations, and maintain the infrastructure required for military operations are all part of our ability to sustain forces. These areas will continue to be our priority for the sustainability of the CF.

To this end, Defence will continue to enhance its capacity to support its civilian workforce and CF members through initiatives such as the Well-being Framework, reform of military health care, and the promotion of continuous learning and professional development. The ability to maintain equipment and infrastructure will be sustained through the Infrastructure Reduction Plan and the National Procurement Plan.

Performance measurement criteria for this capability program will include the ability to sustain operations, meet materiel and logistical support requirements, manage realty assets appropriately, and meet the health and well being requirements of CF members and Defence civilians.

Performance on planned results will be monitored through the departmental Performance Measurement Process.



Resources

SUSTAIN FORCES: TOTAL SPENDING NET OF REVENUES					
(\$ 000's)	ACTUAL SPENDING 2003–04	ACTUAL SPENDING WITHOUT OCIPEP 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Departmental Spending	4,796,422	4,796,422	5,375,654	5,273,353	5,362,511
Capital Spending (included in Departmental Spending)	494,605	494,605	721,539	693,727	709,570
Human Resources - Military FTEs	22,316	22,316	21,854	21,854	21,854
Human Resources - Civilian FTEs	13,790	13,790	13,245	13,245	13,245

Note:

As part of the Government's restructuring of Departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness. Figures depicting actual spending for 2003-04 are presented both including and excluding OCIPEP.



Command and Control

The Command and Control capability program provides leadership and clear direction to the Conduct Operations, Generate Forces and Sustain Forces capability programs of Defence. It also produces and presents options for military action to accomplish Government of Canada policy as situations arise, and liaises with other government departments and the armed forces of allied nations and coalition partners. This capability program also produces the essential preludes to any CF commitment: the Defence assessments of developments around the world and Defence advice to government, which are based on timely access to information and independent appraisals.

Plans

To deliver the Command and Control capability program, the CF is prepared to undertake the following tasks:

- Plan, direct and control a wide variety of activities, including: CF counter-terrorism (CT) activities, Aid of the Civil Power, operations other than war, SAR operations, evacuation, disaster relief and humanitarian assistance, arms control verification, military diplomacy operations, and operational training in joint and combined environments;
- Provide the capability to direct and control forces deployed with the U.S., NATO or in multinational coalitions; and
- Plan, direct and control the CF national-level response to requests for assistance from other levels of government, such as assistance to law enforcement agencies, fisheries protection, drug interdiction, environmental protection, and prevention of illegal immigration.

This capability program will provide integration support to the Environmental Chiefs of Staff for command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) system capabilities for the command and control of forces conducting operational missions.

Command joint forces in the Northern area will provide the capability to command and control, co-ordinate and facilitate all military activities, including surveillance, in the area of responsibility with National Defence Headquarters and other headquarters, and, when required, act as a Joint Force Headquarters for operations in the North.

C4I support forces will provide reliable, robust, efficient national, globally deployable, multi-purpose communication capabilities in support of domestic and international activities, that will be fully available on 21 days' notice. This is achieved by extending the Defence Information Technology Infrastructure to support theatre operations.

Defence will also gather, analyze and disseminate the required military signals intelligence, geometrics and meteorological and oceanographic information. We will also provide information operations support to domestic and international military activities.

The [Defence Plan On-Line](#) provides a description of these and other initiatives relevant to this capability program.



Priorities

For fiscal year 2004–2005, the priority of the Command and Control capability program is to enhance the ability of the CF to operate effectively in joint, interagency and multinational environments. In support of this priority, we are undertaking several initiatives, such as the following:

- Developing and implementing joint interoperability doctrine and procedures;
- Developing a comprehensive operating concept for the CF that responds to the demands of operations in joint, interagency and multinational environments;
- Establishing an initial information-fusion capability to provide a “common operating picture” (COP) in the National Defence Command Centre (to be done by March 31, 2005);
- Furthering the implementation of the evolving C4ISR Campaign Plan to exploit emerging technologies, transform operational capabilities, and ensure that Defence can operate effectively in the information age in both the joint and combined environments. Initiatives include those dealing with space-based surveillance, unmanned aerial vehicles (UAVs), and more fully integrated capabilities for sharing and processing intelligence and information, such as those found in the prototype information-fusion capability;
- Replacing the CH-124 Sea King helicopter with a new multi-purpose maritime support helicopter and the [CH-113 Labrador](#) SAR helicopter with the [CH-149 Cormorant](#) to enhance the ability of the CF to operate effectively in joint, interagency and multinational environments. Ongoing modernization of the [CF-18 Hornet](#) and [CP-140 Aurora](#) will also enhance the ability of the CF to operate effectively in all these environments.
- Implementing the findings of the Lamer Report on Bill C-25 (*An Act to amend the National Defence Act*). The bulk of Chief Justice Lamer’s recommendations were accepted, and implementation has begun through legislative, regulatory and administrative action. When fully implemented, these reforms will strengthen the military justice system and improve the grievance process, thus enhancing the Command and Control capability.

The Communications Security Establishment

The [Communications Security Establishment](#) (CSE) plays a key role in supporting the Command and Control capability program, through the following actions:

- Acquiring information from the global information infrastructure and using it to provide foreign intelligence in accordance with government intelligence priorities;
- Providing advice, guidance and services to help ensure the protection of electronic information and of information infrastructures of importance to the government; and
- Providing technical and operational assistance to federal law enforcement and security agencies in the performance of their lawful duties.

Risks associated with incompletely integrated collection, analysis and dissemination of intelligence have been identified. The recently completed Defence Intelligence Review will address the most significant of these risks. Resource information on CSE can be found in Section 4.



Planned results

The aim of the Command and Control capability program is to ensure that the CF is able to collect, analyze and communicate information, plan and co-ordinate operations, and provide the capabilities required to direct forces to achieve their missions. The importance of providing the government with timely, accurate information cannot be understated; it is critical for the safety of both the CF and the Canadian public, and Defence is responding to this challenge. Many of these initiatives are continuing, so the information provided about them is consistent with that provided last year.

Performance Measurement criteria for this capability program include: meeting readiness levels and capability requirements for command, communications and intelligence; and confidence in leadership.

Performance on planned results will be monitored through the departmental Performance Measurement Process.

Resources

COMMAND AND CONTROL: TOTAL SPENDING NET OF REVENUES					
(\$ 000's)	ACTUAL SPENDING 2003–04	ACTUAL SPENDING WITHOUT OCIPEP 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Departmental Spending	1,441,067	1,441,067	1,531,649	1,534,402	1,557,741
Capital Spending (included in Departmental Spending)	318,655	318,655	500,550	489,149	491,828
Human Resources - Military FTEs	5,616	5,616	6,072	6,072	6,072
Human Resources - Civilian FTEs	2,583	2,583	2,530	2,530	2,530

Note:

As part of the Government's restructuring of Departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness. Figures depicting actual spending for 2003-04 are presented both including and excluding OCIPEP.



Corporate Policy and Strategy

The Corporate Policy and Strategy capability program is broad in scope, comprehensive in character, and demonstrates Defence compliance with legislative, managerial and administrative requirements. This capability program comprises the provision of policy advice to government, security arrangements, governance and management, and support to government objectives.

Plans

Defence will continue to provide timely, detailed strategic monitoring and analysis, and sound policy advice, to help ensure that Canadian defence policy reflects the direction provided by the government and remains relevant, effective, affordable and realistic.

We will manage our bilateral and multilateral defence and international security relations through representation and the provision of policy advice for our participation in NATO, the UN, NORAD and other multinational and bilateral organizations, alliances and coalitions.

Canada will participate in bilateral and multilateral defence and security arrangements, treaties, exercises and programs with the U.S. and other countries and alliances, and collaborate with allies to enhance technology co-operation and facilitate interoperability. These international initiatives will be led by Defence.

We will also support Canadian efforts to enhance international peace and stability through diplomatic activities such as:

- foreign port visits;
- military training assistance for developing nations to enhance their peacekeeping capabilities (e.g., training delivered by the [Pearson Peacekeeping Centre](#) and the [Peace Support Training Centre](#));
- participation in Partnership for Peace exercises;
- confidence-building measures for arms-control agreements; and
- active participation in international arms control agreements.

With the renewed emphasis on comptrollership across all government institutions (led by Treasury Board), governance is now attracting special attention, particularly in the areas of Airworthiness, Information Management, Human Resources and Finance. The audit and program evaluation functions continue to lead the assessment of the effectiveness of governance regimes. Indeed, the Chief of Review Services is currently finalizing a review of the internal senior review boards and committees that play a critical role in program governance at Defence.

Defence will provide effective and efficient corporate administrative, financial and resource management support services through:

- The management of corporate HR programs, including Employment Equity and Official Languages;
- For Materiel Management: the development of material acquisition and support policies and plans; and



- For Infrastructure and Environmental Management: the provision of advice, services and program and project management with respect to realty assets, fire services, the environment, architecture and engineering, military engineering, and nuclear safety.

DND will provide the comptrollership and financial management framework (including a financial accounting system and interface to supporting systems) necessary to support all aspects of Defence operations at all levels, in a manner consistent with government-wide legislation, regulations, policies and best practices.

Finally, Defence will provide public affairs support to CF operations anywhere in the world, and support internal communications and senior leadership efforts to ensure that Defence civilians and CF personnel are aware of and understand Defence priorities, programs and services.

Priorities

In fiscal 2004–2005, our priorities are as follows:

- Contribute to the International Policy Review and carry out a Defence Policy Review;
- Strengthen our relations with the U.S.;
- Broaden our strategic partnerships both domestically and internationally;
- Enhance internal communications;
- Develop and implement the new information management strategy; and
- Enhance management excellence by focusing on modern comptrollership and advancing modern management principles.

The International Policy Review/Defence Policy Review

Through the [International Policy Review](#) (IPR), the Government is developing an integrated and coherent international policy framework for diplomacy, defence, development and trade. The IPR focuses on a wide range of issues, including:

- Assessing international security threats;
- Identifying Canada's defence priorities; and
- Developing a more integrated approach in managing the Canada-U.S. relationship.

National Defence is also moving ahead with its own Defence Policy Review, which will enable us to define a new defence policy for Canada, well adapted to the challenges of the 21st century.

The principles and initiatives set out in the Government's [National Security Policy](#) will inform both the International Policy Review and the Defence Policy Review.

Strengthening relations between Canada and the U.S.

The government is committed to a new, more sophisticated approach to the Canada-U.S. relationship. As part of this effort, Defence will:



- Make recommendations to government on the future of the Bi-National Planning Group, the mandate of which is due to expire in December 2004;
- Continue discussions with the U.S. on possible Canadian participation in the missile defence of North America;
- Begin work on the renewal of the NORAD Agreement, which is due to expire in 2006;
- Continue monitoring changes in the U.S. Unified Command Plan with the intent of assessing their potential impact on Canada in general and Defence in particular;
- Continue to strengthen Canada-U.S. relations in the field of defence industry, including continued participation in the system design and development phase of the Joint Strike Fighter Program, and continued discussions with the U.S. Navy on possible Canadian participation in the system design and development phase of the Multi-Mission Maritime Aircraft and Broad Area Maritime Surveillance (MMA/BAMS)¹⁰ Program; and
- Continue deploying Halifax-class patrol frigates with U.S. Carrier Strike Groups, thus maintaining the uniquely high level of interoperability achieved by our navies.

Promoting strategic partnerships

Defence will raise public awareness of its issues and activities and will expand strategic partnerships with other federal government institutions, and other levels of government, and promote key international defence and security relationships.

Promoting key international defence and security relationships

International initiatives include Canada's ongoing support of the Prague Capabilities Commitment (agreed to at the 2002 NATO Summit), which entails working with allies to enhance NATO's strategic air and sealift capabilities. Canada will continue to work with NATO partners to advance and provide guidance on several critical Alliance issues, such as:

- the expansion and future of ISAF in Afghanistan;
- the future of Canada's Task Force Bosnia-Herzegovina;
- NATO initiatives to increase the usability and deployability of forces;
- the implementation of the NATO Response Force;
- the transformation of the NATO command structure;
- arrangements between NATO and Russia, Ukraine, and the European Union; and
- relations with non-NATO European countries and other partners through initiatives such as the Partnership for Peace and the Mediterranean Dialogue.

Defence will also contribute to the reform and evolution of NATO defence planning, and will continue Canada's involvement in NATO initiatives with respect to weapons of mass destruction.

¹⁰ MMA is a manned platform to replace the U.S. Navy's P-3 and EP-3 aircraft; BAMS is a system of unmanned air vehicles for gathering information.



Defence will also remain engaged in the UN reform process, including such initiatives as rapid deployment levels, equal opportunities for men and women in peace-building, safety of deployed civilian personnel, improving the organization of the UN Department of Peacekeeping Operations, and improving processes for consulting troop-contributing countries.

Defence will continue to work with [Foreign Affairs Canada](#) in setting out Canada's position on the full range of arms control and disarmament initiatives in forums such as the [UN First Committee](#) (Disarmament and International Security). Defence will also continue to provide input to NATO on the Alliance's policies on nuclear, chemical, biological and radiological defence-related issues.

Defence will also explore opportunities to enhance relations with defence industries, including establishing a new naval exchange position with the submarine division of the British Ministry of Defence; negotiating a Memorandum of Understanding with France to allow mutual access to test and evaluation facilities; and collaborating with partner nations on the Joint Strike Fighter program. An industrial outreach mission to Hungary, Poland and the Czech Republic was carried out in co-operation with Foreign Affairs and the [Canadian Defence Industries Association](#) to determine the potential for expanded strategic industrial partnerships with these new NATO members.

Defence will continue to work on selective increases in Canada's defence relationships in the Asia-Pacific region, especially operational-level co-operation and interoperability with Japan and South Korea. DND is building a closer but selectively focused relationship with the People's Liberation Army of China. In consultation with Foreign Affairs, Defence will gradually begin to explore useful areas of bilateral defence contact with India, Pakistan and Indonesia. We will also continue modest enhancements in our limited defence relationships with Singapore and Thailand, and co-ordinate DND support for various activities of the Association of South East Asian Nations Regional Forum and other relevant multilateral organizations. At the same time, we will also seek to maintain close interoperability with our traditional regional allies, namely the U.S., Australia and New Zealand.

Enhanced defence relations with Argentina, Brazil, Chile and Mexico are of continuing importance to Canada. Through Canada's recent membership in the [Inter-American Defence Board](#) (IADB), where Canada now has a permanent delegate, DND will continue to encourage fundamental reforms to the structure and mandate of the IADB as an integral part of the inter-American security system. DND will also continue its multi-lateral engagement with other Western Hemisphere countries through regional forums such as the Conference of American Armies. Defence will also continue to provide advice to Jamaica in drafting its first national security policy, which is to be followed by a Strategic Defence Review.

Through the [Military Training Assistance Program](#), Defence will promote Canadian interests among developing non-NATO countries, enhance bilateral relations and continue to develop peace-support capacities and to enhance military professionalism among peacekeeping contributors.

We will also encourage the development of military personnel exchanges, education programs and liaison opportunities with an eye to positioning Canada with our key strategic partners as a useful, effective ally for the long term. To this end, DRDC is developing a new strategy for international collaboration in R&D to ensure continuing benefits from its international activities.

DRDC and the Assistant Deputy Minister Human Resources (Military) are well linked internationally as key players in The Technical Co-operation Program,¹¹ and DRDC is a key player in the NATO Research

¹¹ The Technical Co-operation Program is an international organization that supports the exchange of defence scientific and technical information among five nations: Australia, Canada, New Zealand, Britain and the United States.



and Technology Organization and bilateral and multilateral collaborations with the U.S., Britain, Australia, France, the Netherlands and Sweden.

With many other government departments, Defence participated in the Arctic Security Interdepartmental Working Group to facilitate the exchange of information and ideas on Arctic security issues among the relevant federal and territorial departments.

Expanding strategic partnerships with other government departments, other levels of government, the private sector, and universities.

DND often partners or co-operates with other government departments on many fronts to achieve its mandate and to contribute to broader government initiatives and priorities. For example:

- The Navy will remain engaged in the Inter-departmental Maritime Security Working Group, which comprises 13 government institutions (including Defence) under the leadership of Transport Canada, with a mandate to close the gaps in Canadian maritime security. The Deputy Chief of the Defence Staff recently initiated a proposal to establish an Inter-departmental Aviation Security Working Group to close similar gaps in aviation security. This proposal has already been accepted by PSEPC and Transport Canada.
- Defence continues its participation, with many other government departments, in the Arctic Security Interdepartmental Working Group, which has a mandate to enhance the security and sovereignty of Canada's North through information sharing and co-operation among government departments, Aboriginal groups, non-governmental organizations and other Arctic and sub-Arctic stakeholders. It is chaired by the Commander of Canadian Forces Northern Area and meets twice a year in one of the northern territorial capitals.
- Defence will also actively engage with other government institutions to devise or refine cost-effective methods to deliver immediate disaster assistance in Canada and abroad. This initiative will include participating in the development of a Canadian strategy on civilian-military co-operation (CIMIC), and continuing to develop coherence between Defence, Foreign Affairs and CIDA on the International Assistance Envelope and security sector reform.
- In keeping with the government's desire to undertake horizontal initiatives to maximize the benefit of its activities and investments, DND has partnered with Foreign Affairs and CIDA to help rebuild and stabilize Afghanistan. *Operation ATHENA*, Canada's participation in ISAF, is the CF contribution to the government's "3D" approach — Diplomacy, Development and Defence — to restoring peace, security and stability to Afghanistan and to ensuring that it does not again become a haven for terrorism. Defence will continue this co-operation as long as Canada remains in Afghanistan. This horizontal approach will also serve as a great example of how we can maximize the benefits of government activity through creativity and innovation.
- With a view to further strengthening planning and co-ordination relationships with key stakeholders, Defence has significantly increased the number of CF officers seconded and posted to liaison assignments with other government institutions. Defence will also organize familiarization activities for selected officers from other government institutions to raise their level of awareness of Defence issues and activities.
- Defence will continue to contribute to the Policy Research Initiative led by the Privy Council Office and, in particular, to the North American Linkages Interdepartmental Working Group.



- DND has taken the lead of and provided administrative support to Canada's Performance International Dimension Working Group. In co-operation with key departments and agencies such as CIDA, Foreign Affairs, Citizenship and Immigration Canada and the Treasury Board Secretariat, the working group has identified key strategic Government of Canada outcomes, which the Treasury Board Secretariat will incorporate in the Annual Report on Canada's Performance for presentation to Parliament. The aim is to show Canadians what efforts the federal government is undertaking to provide security and prosperity in North America, strengthen global institutions, enhance international stability and sustainable development, and promote Canada's reputation and influence in the world. These outcomes are accomplished at home and around the world in partnership with other federal government institutions, other levels of government, foreign governments, and the private and voluntary sectors.
- With the formation of [PSEPC](#), the integration of the former OCIPEP into PSEPC, and the development of the new National Security Policy, Defence will have an increasingly important relationship with this new organization. Defence already enjoys many strong links with the former departments and agencies that are now part of PSEPC. As PSEPC assumes the lead in the domain of domestic security, Defence will be prepared to strengthen its links with PSEPC and support such areas as operations, training and planning.

DRDC has taken the lead in establishing a framework for horizontal collaboration among federal science-based departments and agencies, led by the new Assistant Deputy Ministers' S&T Integration Board. This board will provide strategic leadership, guidance and direction for mobilizing and integrating S&T efforts across departments and disciplines, focusing on the priorities of Canadians. As well, DRDC promotes collaborative initiatives involving other government organizations, industry and universities. Two such projects are the [Chemical, Biological, Radiological and Nuclear Research and Technology Initiative](#) (CRTI), which now has 41 collaborative projects in progress, and the Public Security S&T Program.

Defence organizations co-ordinate their efforts in a multitude of ways. For example, DND has worked for 50 years with [Defence Construction Canada](#) (DCC) (previously known as Defence Construction Limited) to deliver infrastructure projects ranging from runways and civil works to domestic buildings, and from radar stations to environmental remediation and unexploded ordnance removal. This unique relationship is still growing, especially with support from initiatives such as the joint partnering workshop conducted in June 2003.

As an example of how Defence works with the private sector, DRDC is establishing its Research Centres as regional innovation hubs to leverage the R&D expertise of business and universities in their areas.

Broadening our constituency

Defence will continue to broaden its constituency through its public affairs and outreach activities. DND will produce live television interviews with deployed CF personnel to support efforts to raise the profile of CF operations. Regular public relations and outreach programming is helping to increase public awareness, understanding and appreciation of the new security environment and the many roles Defence plays therein. DND will continue to deliver programming that engages parliamentarians, stakeholders, educators and youth, U.S. audiences, ethno-cultural groups, and other government institutions in Defence issues over the long term. Departmental programming in this regard will continue to support broad government priorities such as youth, diversity, and Canada-U.S. relations.



Defence will continue its consultations with industry through the Defence Industry Advisory Committee, which comprises government, industry and academic representatives and meets three times a year to exchange views on issues related to defence industry and materiel. This is an important step in communicating with industry, giving the private sector an opportunity to raise concerns and give advice on issues of mutual interest.

As part of its advisory role, the Office of the Ombudsman will raise awareness of the Canadian military ombudsman model in other countries, and provide advice and guidance to countries such as Britain, Ireland, Poland and Columbia on integrating the ombudsman concept into their armed forces.

By early fall 2004, in collaboration with the Department of Canadian Heritage and other federal departments and agencies, Defence will officially launch the Canadian Military History Gateway on the Internet to give Canadians access to a comprehensive collection of documents and other information materials on Canada's military accomplishments.

DND will continue to participate in domestic and international meetings and negotiations that focus on security or defence policy, and to manage defence policy consultations and outreach functions, including those involving the international policy review, Parliament, non-governmental organizations, defence policy dialogues, the Security and Defence Forum, the Chair of Defence Management Studies, the Military Training Assistance Program, and internal training programs from the Defence Resource Management Course to the various programs of the Canadian Forces College.

Striving for excellence in internal communications

Effective internal communications is critical to the success of any organization. As part of Defence efforts to foster a renewal in internal communications, ADM(PA) produced and distributed an *Internal Communications Handbook*, an extensive "how-to" guide for CF members and Defence civilians of all ranks and occupations that describes the available internal communications tools and vehicles, and tells readers how to use them. The handbook is also available as a website. Enhancements are contemplated for established products and services, including base newspapers, *The Maple Leaf* and the Defence Internet and Intranet sites.

Reflecting the progress made throughout Defence, and the priority given to internal communications, the Assistant Deputy Minister (Human Resources-Civilian) recently introduced a new Intranet site to improve services to clients.

The Navy continues communications activities including the Esquimalt and Halifax formation newspapers [Lookout](#) and [Trident](#); the Naval Reserve newspaper *The Link*; "town hall" meetings in Halifax and Esquimalt; the Navy personnel magazine *The Matelot*; and the websites of HMC ships, which receive heavy usage during deployments.

Also contributing to the institution's advancement in this area, the Army will continue to develop the Integrated Internal Information Platform (3IP) to integrate the various internal communication tools and eliminate "stovepipes" and divergence in the internal distribution of information.

The [Materiel Group](#) has recently published the *Canadian Defence Equipment Handbook*, a guide to the principal CF vehicles, ships, aircraft, systems and equipment. This publication is available in electronic form on compact disc.



Maximizing effectiveness in resource management

Defence is committed to the highest standards of resource management. A key priority for us is to enhance management excellence by close adherence to the document *Strengthening Accountability and Comptrollership in National Defence*, which is consistent with government's priorities. Our goal is to contribute to government-wide efforts to improve accountability to and transparency for citizens, allocate resources in a meaningful way, ensure effectiveness, and promote good management practices. Our collective efforts will help improve Defence capabilities while improving stewardship of public funds and ensuring that the Canadian taxpayer gets maximum value.

Information management and information technology

The increasing complexity of Defence information management capabilities, and the need for a move to an integrated information environment, warrant the development of an overall departmental vision and strategy as a roadmap for the future. A key Defence priority in this field is the implementation of the core recommendations of the [Information Management Strategic Review](#). These recommendations cover areas such as:

- Interoperability (our ability, from the information management and information technology (or IM/IT) perspective, to work with our allies);
- An IM/IT Governance Framework, including a Configuration Control Board, a Requirements Committee and an Oversight Committee;
- The development and maintenance of an Enterprise Architecture Framework;
- The creation of an Enterprise Application Service division (begun in October 2003), to support and maintain enterprise applications; and
- The creation of an IM financial structure and an IM Corporate Account to ensure financial accountability for fiscal 2004–2005.

Changes in governance were initiated by the IM Strategic Review to create an Enterprise Service Provider construct. Significant resources — \$6.8 million — were put forward for the initial acceptance and consolidation of responsibility for the Enterprise Resource Planning system in the IM Group. The IM Group is now supporting Enterprise Resource Planning systems, conducting tests, and doing limited integration activity with the objective of eventually achieving maximum exploitation of IM/IT savings from the rationalization of the Enterprise Resource Planning systems. The results of these initiatives will ensure interoperability not only within Defence but also with our allies and partners. These initiatives will increase service efficiencies for our internal clients, provide greater economies of scale when acquiring IM/IT resources, and permit proactivity in adopting and implementing new technology.

In combination with partnership building, improved HR recruiting and retention programs, and the progress being made in implementing the final phase of the [National Defence On line Program](#), these initiatives will ensure that the Defence IM/IT strategy reflects a vision, mission and plan that are fully consistent with and supportive of the greater departmental strategy.



The defence intelligence review

A defence intelligence review was recently completed, and Defence is moving toward implementation of the key recommendations to produce a more integrated intelligence product and support informed decision-making. This effort will increase support to the establishment of an initial information-fusion capability to improve situational awareness at the strategic and operational levels.

Compliance with and oversight of contracting policy

Under the direction of the Deputy Minister of National Defence, the Defence Oversight Committee on Contracting (DOCC) has been established under the joint chair of the Assistant Deputy Minister (Materiel) and the Assistant Deputy Minister (Finance & Corporate Services). The DOCC will:

- oversee the contractual framework in Defence and its associated financial controls and practices;
- provide the Deputy Minister with assurances regarding adherence to departmental policies and processes, and the exercise of delegated authorities and contract management;
- provide the appropriate organizations with recommendations for improvements to these policies and processes;
- review contracting trends;
- monitor compliance with the contract-approval processes and procedures;
- strengthen authorities for procurement initiation; and
- follow up on significant variances to ensure that the delegation of authorities identified in sections 32, 33 and 34 of the *Financial Administration Act* are functioning correctly and are exercised appropriately.

Updates, lessons learned and best practices will be made available through awareness sessions (delivered as required) and on the web at: http://cosmat.ottawa-hull.mil.ca/dcpol/DCPol_mission_roles_orgs/mission_statement_e.asp.

As the Materiel Group implements actions and plans to improve its ability to meet its obligations and accountabilities under the Accrual Accounting and Modern Comptrollership initiatives, several organizational changes are planned to tighten focus in these areas. Concurrent with these actions, the Materiel Group will also create a new division to ensure a more complete, robust oversight of activity in the Defence supply chain. These actions should be complete by March 31, 2005.

Management of human resources

Human resources planning, both civilian and military, is concerned with linking people management to the Defence mission, vision, goals and objectives, strategic plan and budgetary resources.

Defence activities in support of this priority include:

- Implementing HR Modernization;
- Finding efficiencies and reallocating resources, in part by developing and implementing plans related to the recommendations of the [Minister's Advisory Committee on Administrative Efficiency](#);
- Introducing innovative measures related to procurement and contracting policy; more measures will be ready for implementation in the spring of 2005;



- Developing a performance measurement framework;
- Evaluating the implementation of the Management Accountability Framework;
- Developing an action plan to improve our current [risk-management](#) and decision-making processes as part of the Integrated Risk Management initiative;
- Maintaining a rigorous audit and evaluation program; and
- Introducing the action plan *Strengthening Accountability and Comptrollership in National Defence* to improve our response to the Expenditure Management System and the Management Accountability Framework.

To attain human resources objectives, the CF will:

- Develop and implement a review of the military HR system, through the HR System Transformation Project, which will:
 - examine how and where internal stakeholders are to exercise appropriate influence over military HR functions;
 - determine what program and service delivery responsibilities internal stakeholders should perform under ADM(HR-Mil) policy direction and oversight; and
 - address how to make the military human resources system work as an integrated and efficient system.

The way ahead for the project will be the development of a CF human resources management framework with functional direction authority for HR policy to be exercised by ADM(HR Mil), and with devolution of authority for HR program and service delivery to internal stakeholders, where appropriate.

- Integrate military HR planning into the SCIP, which sets out the high-level departmental plan for investment in defence capabilities for the next 15 years; and
- Implement an Individual Training and Education (IT&E¹²) costing model to facilitate the identification, tracking and reporting of costs related to managing and delivering military IT&E activities.

In response to the *Public Service Modernization Act*, Defence will implement civilian Human Resources Modernization in DND by:

- Developing a DND framework including principles, guidelines and processes and identifying and initiating co-development activities commencing summer 2004;
- Submitting to central agencies the Defence input on regulatory and policy development on labour relations by fall 2004 and on staffing by summer 2005;

¹² “IT&E” includes all instructional activities for CF members conducted to impart the skills, knowledge and attitudes required to: (a) perform assigned duties (i.e., training); and (b) exercise sound judgement and interpret information correctly (i.e., education).



- Developing DND policies and processes on labour relations by fall 2004 and on staffing by summer 2005;
- Designing a staffing delegation strategy and implementation plan by winter 2004;
- Training managers and HR advisors on new authorities and accountabilities and new departmental processes by summer 2005;
- Delivering an informal, integrated HR complaint resolution system that addresses all complaints at the lowest possible level by summer 2005;
- Focusing on the design and implementation of classification reform activity in collaboration with the unions; and
- Implementing, as of April 2004, the Contracting Policy Compliance and Contractual Oversight initiative to mitigate the risk of non-compliance with Treasury Board contracting policies and to ensure that Canadian taxpayers get value for their money.

Workforce diversity and inclusiveness

Defence continues to be proactive in promoting workforce diversity and inclusiveness through education, awareness and training, and the application of Human Rights and Employment Equity legislation via policies, programs and processes.

CF members

In recognition of labour market changes and to cultivate diversity in the CF, Defence has been working on the development of diversity recruitment initiatives to reach groups identified as “underrepresented.” Canadian Forces Recruiting Centres are now actively seeking CF members — both men and women — from all ethnic and cultural backgrounds to serve as recruiters. Inclusiveness and diversity are important themes in all CF recruiting materials, including websites, job information videos, posters and brochures.

Defence is working to ensure that the CF is in full compliance with the *Employment Equity Act* by September 2005. To this end, the CF will complete an Employment Systems Review of all CF policies, programs and processes in October 2004 to identify and eliminate barriers to fair employment of members of all designated groups. These activities indicate the importance of providing a supportive work environment, and demonstrate commitment and leadership in diversity while ensuring fair treatment for everyone. Also, the CF will consolidate the various elements of diversity, human rights and employment equity into a unified and comprehensive “*Leadership in a Diverse Environment*” package developed by the Canadian Defence Academy for inclusion at all levels of developmental training for CF members.

Defence civilians

DND will manage corporate civilian human resources programs and provide HR services in support of employment equity and implement the corporate Employment Equity Action Plan by March 2008. The [Employment Equity Plan](http://www.forces.gc.ca/hrciv/engraph_e.asp) for the ADM(HR-Civilian) is found on-line at: www.forces.gc.ca/hrciv/engraph_e.asp.



Representation targets for 2007–2008 are outlined by employment equity group in the table below.

EMPLOYMENT EQUITY GROUP	REPRESENTATION AS OF JUNE 30, 2003	REPRESENTATION TARGET FOR 2007–2008*
Women	6,913	7,938
People with disabilities	1,013	1,339
Aboriginal people	419	436
Members of visible minorities	710	1,200
Source: Employment Equity Database, June 30, 2003. * The new Labour Market Availability figures (derived from the 2001 Canada Census) are expected to change DND representation targets over the next four years.		

Joint military and civilian personnel initiatives

Official Languages Program

The Official Languages Strategic Plan is a critical milestone, and firm measures are in place to monitor progress against targets across the Defence portfolio. In June 2003, the Minister of National Defence informed the Standing Committee on Official Languages that Defence is committed to full implementation of the [Official Languages Strategic Plan](#) by 2006.

Key Official Languages goals and activities for Defence civilians are as follows:

- Ensure that all incumbents of EX positions meet the associated language requirements;
- Provide second language training and second language evaluation as required for professional development as well as to meet statutory requirements; and
- Include Official Languages obligations in the Performance Management Agreements for senior management.

These initiatives will be enhanced further by maintaining our proactive language training approach to improve our bilingual capacity. Defence will accomplish this by pursuing the implementation of the Official Languages Strategic Plan, and increasing funding for both translation services and bilingualism training. For additional information on the Directorate of Official Languages visit: http://hr.d-ndhq.dnd.ca/Dol/Engraph/home_e.asp?cat=home

The Defence Ethics Program

The [Defence Ethics Program](#) provides everyone at Defence with a framework that supports ethical decision-making and behaviour. The program's ultimate objective is to maintain an ethical Defence culture and promote an ethical work environment where people choose to do the right thing, and it is a key factor in the successful adoption of the Public Service Code of Ethics in the Department. A website provides information, tools, dialogue opportunities, a knowledge exchange network, products and practices to help CF members and Defence civilians make the right ethical decisions.

Defence is fully involved in activities to support the government commitment to ethical conduct, including efforts to strengthen the Defence Ethics Program. Examples of these activities include: Focus on Ethics: a Defence-wide event to identify and mitigate ethical risks and promote dialogue in the workplace, and the analysis of the results of a recent departmental ethics survey that will form the basis



for internal Implementation Plans to establish the course for the next cycle of the Defence Ethics Program.

Guidance on best practices for conflict resolution and the application of values and ethics in the workplace are available from the [Ombudsman](#)'s Office.

Resource management

Management Accountability Framework

Defence is moving from the Modern Management in Defence concept toward the [Management Accountability Framework](#) (MAF). Defence supports management excellence, a commitment articulated in its corporate priorities. Supporting the implementation of the MAF, the Deputy Minister has identified four MAF elements for focus in fiscal 2004–2005:

- **Governance and Strategic Direction**, specifically:
 - Contributing to the International Policy Review and carryout a Defence Policy Review;
 - refining strategic outcomes, and
 - developing the corporate performance management framework;
- **Stewardship**, specifically:
 - improving controls in contract administration, and
 - developing an integrated risk management framework;
- **Accountability**, specifically:
 - improving compliance with financial authorities and delegations; and
- **Results and Performance**, specifically:
 - seeking a practical approach to refining Defence program activity architecture, and
 - linking it to strategic outcomes.

Strengthening accountability and comptrollership in Defence

The implementation of the new action plan *Strengthening Accountability and Comptrollership in National Defence* will improve our response to the Expenditure Management System and the MAF. This action plan will be in place for fiscal 2004–2005. Its framework will contain three fundamental elements:

- **Back to Basics**, to ensure compliance with accountability and control frameworks such as the *Financial Administration Act*;
- **Values and Ethics**, to reinforce the Public Service Values and Ethics Code, particularly with regard to prudence and probity; and
- **Value for Money**, to focus on performance measurement, reporting, an upgraded financial system, modern strategies and policies, and pay and pension systems.



In support of this action plan, by summer 2005 Defence will implement financial models to support decisions on prioritization and resource allocation by upgrading the current system with an interactive departmental costing model and by enhancing financial modeling with a new software application.

We are also implementing financial tools required to enhance departmental decision-making, reporting and administration in the fields of pensions, pay, and risk-management. By March 2005, Defence will review and recommend risk-management and decision-making tools for managers in the Groups and Environmental Commands. By fall 2005, the Canadian Forces Pension Administration System Upgrade will be implemented, and the Canadian Forces Pay System Project will be completed by March 2008.

We are also studying ways to revitalize the comptrollership community, including establishing a financial training and development framework to meet comptrollership needs in fiscal 2004–2005; implementing competency-based management for military finance specialists to reduce the staffing shortfalls in fiscal 2004–2005; and integrating financial information in the Defence performance management framework by summer 2005.

In particular, a training shortfall has been identified with respect to the responsibilities and accountabilities of Defence resource managers, especially those exercising signing authority under section 32 and section 34 of the *Financial Administration Act*. This shortfall is being addressed through a departmental action plan: effective immediately, all new resource managers will receive formal certification training before their signing authority is developed, and all current resource managers must complete their certification training by summer 2004.

Resource and financial management information from fiscal 2004–2005 to fiscal 2006–2007 is detailed in Section 3 of this report.

Performance measurement

Performance measurement will continue to be a Defence priority in the coming year, and Defence will continue work on a comprehensive Strategic Performance Management Program to help meet its objectives. The Balanced Scorecard strategic approach to management still works as an instrument of measuring progress at Defence. Using the Balanced Scorecard technique, the Departmental Strategy Map has been updated to reflect current Defence priorities and support decision-making by senior leaders.

The development of an Enterprise System for data aggregation from senior management is still the highest priority for the future. With continued growth and development, performance measurement will be able to provide information to assist senior leaders in the allocation of resources, management of the Department and, ultimately, achieving Defence objectives. Also, a robust performance measurement system will help produce the information required for reporting under the new Management, Resources, Results Structure being implemented by the government.

Audit and evaluation

Evaluation and Internal Audit in Defence continue to produce high-profile products that support decision-making and accountability. This work is guided by a risk-based plan that shows the links between priorities and strategies. This plan is approved and monitored by the Departmental Audit and Evaluation Committee, which is chaired by the Deputy Minister and Chief of the Defence Staff. Its unclassified completed reports can be found at http://www.forces.gc.ca/crs/rpt/reports_e.htm.



Audit

Recently completed assurance work by internal audit has addressed annual expenditures of more than \$5 billion per year in the military pay and local operating budgets. This work, along with a series of focused reviews and analyses of contracting, has emphasized the importance of strengthened comptrollership, including accelerated transition to technology-intensive controls. A comprehensive report has also been finalized on risk management at Defence. Typical upcoming reports deal with the CF Health Information System, the Materiel Acquisition and Support Information System, and the Cormorant acquisition.

As an result of the 2004–2005 business planning process, the Deputy Minister and Chief of the Defence Staff have directed a major budget increase for the internal audit function that will be phased in over the next three years.

Evaluation

Evaluation has assisted in the design of results-based management and accountability frameworks, including one for the Defence Security Program. Examples of subjects for which evaluation reports will be finalized in 2004–2005 include CF Vanguard Readiness and Sustainment, the Defence Industrial Strategy, Individual Training and Education, and components of the Ammunition Program. The Deputy Minister recently approved the appointment of an Executive Director of Evaluation Operations to assist the dedicated leaders of the evaluation function.

The Chief of Review Services maintains a Special Examinations and Inquiries section to perform forensic audits and investigate allegations of wrongdoing. Certain inputs to this function will be identified through the Chief of Review Services, who is also the senior officer responsible for the Disclosure Program.

The Chief of Review Services is the formal point of contact with the Office of the Auditor General for the purposes of co-ordination and liaison.

Planned results

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

Performance Measurement criteria for this capability program include: meeting domestic and international obligations; meeting budget and resource allocation goals; providing appropriate governance and management mechanisms; meeting mandated program requirements; and meeting environmental stewardship requirements. A noticeable change from previous years is the effort to concentrate resources on high-priority initiatives, a departmental approach to meeting our resource needs and complying with the government-wide focus on effective resource management.

Performance on planned results will be monitored through the departmental Performance Measurement Process.



Resources

CORPORATE POLICY AND STRATEGY: TOTAL SPENDING NET OF REVENUES					
(\$ 000's)	ACTUAL SPENDING 2003–04	ACTUAL SPENDING WITHOUT OCIPEP 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Departmental Spending	484,420	437,432	469,503	470,388	471,709
Capital Spending (included in Departmental Spending)	40,051	39,877	45,495	43,812	44,825
Human Resources - Military FTEs	959	959	948	948	948
Human Resources - Civilian FTEs	1,693	1,474	1,416	1,416	1,416

Note:

As part of the Government's restructuring of Departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness. Figures depicting actual spending for 2003-04 are presented both including and excluding OCIPEP.



Selected Defence Portfolio Organization: The National Search and Rescue Secretariat and The National Search and Rescue Program

Mandate, accountability and partners

The National Search and Rescue Secretariat (NSS) was established in 1986 to provide leadership to the National Search and Rescue Program through the Interdepartmental Committee on Search and Rescue (ICSAR). The NSS reports directly to the lead minister for Search and Rescue (LMSAR), the Minister of National Defence.

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

The Secretariat is responsible for the central co-ordination, leadership and reporting on the National SAR Program, which is delivered in Canada's area of responsibility of more than 15 million square kilometres. Six federal departments and agencies are responsible with the provincial and territorial governments for delivering the operational program in partnership with a large number of formal and informal organizations, including police forces, safety organizations, non-governmental organizations, private businesses and volunteers. The federal departments and agencies are:

Environment Canada (Meteorological Service of Canada) – www.ec.gc.ca/

Environment Canada (Parks Canada) – www.pc.gc.ca/default_flash.html

Department of Fisheries and Oceans (Canadian Coast Guard) – www.dfo-mpo.gc.ca

Department of National Defence (Canadian Forces) – www.dnd.ca

Royal Canadian Mounted Police (Public Safety and Emergency Preparedness) – www.rcmp-grc.gc.ca

Transport Canada – www.tc.gc.ca

New directions

Since 2001, the NSS has worked with ICSAR partners to make major improvements in planning, management and reporting on the National SAR Program. The key building blocks are now in place, including an improved accountability structure and new Annual Program Plan, Annual Report and Strategic Directions documents. The Minister has approved both this improved management framework and the report on the completion of the Strategic Transition Initiative Project in September 2003.

Challenges and risks

The major challenge during fiscal year 2004–2005 will be in the implementation of the improved National SAR Program Management Framework: specifically, addressing major program issues, refining performance measures, and developing information sources further to support SAR planning and reporting. The success of the NSS in encouraging the development of an integrated, seamless SAR



system depends on the willingness and capability of ICSAR and other partners to support NSS-led initiatives, and to collaborate and compromise in the interest of improving the SAR program.

Plans and priorities

The National SAR Program

The plans and priorities for the National SAR Program are established in accordance with the strategies and guidance in the ICSAR-approved SAR Strategic Directions Paper and Annual SAR Program Plan and are available at: www.nss.gc.ca. For 2004–2005, the following have been identified as priorities:

- **Seamless Search and Rescue** by improving interoperability and the quality and availability of data, and by making better use of telecommunications and new helicopters;
- **The North** by improving weather monitoring, communications and SAR infrastructure to reflect increased air traffic and new national parks;
- **Marine SAR** by ensuring that SAR plans reflect the increased passenger ship, tour boat, small craft and kayak traffic; and increased fishing and offshore oil and gas activities.

NSS Planned Activities

The NSS activity priorities derive from the organization's mandate and the SAR program priorities. Performance for 2004–2005 will be measured against achievement in the following planned activities, listed under the six NSS key accountability areas:

- **Program Policy**
 - Researching, analyzing, providing advice on and resolving SAR program and policy issues
- **Program Plans**
 - Leading the annual federal SAR planning and reporting process;
 - Producing a Strategic Directions document, an Annual Program Plan and an Annual Report; and
 - Co-ordinating the planning and evaluation of multi-jurisdictional exercises.
- **Program Activities**, such as:
 - Providing effective, efficient leadership and administration of ICSAR and its sub-committees;
 - Facilitating collaboration among all SAR partners and stakeholders through the SARSCENE Workshop, the SAR Achievement Awards and the NSS website;
 - Developing a Results-Based Management Accountability Framework (RMAF) and a Risk-Based Audit Framework (RBAF) for the federal SAR program;
 - Effectively managing the \$8.1 million New SAR Initiatives Fund (NIF); and
 - Conducting an evaluation of the NIF Program.
- **Advice to the Lead Minister**
 - Advising LMSAR on SAR program issues and recommended responses.
- **Co-ordination with Provinces and Territories**



- Improving overall co-ordination with provincial and territorial SAR partners, a task that involves:
 - ❖ Participating in, and providing Secretariat services to, the Ground Search and Rescue Council;
 - ❖ Supporting provinces and territories in the development of common approaches to national ground SAR training; and
 - ❖ Encouraging provincial and territorial participation in a co-ordinated Canadian SAR planning process and management framework.
- **Effective, Efficient and Healthy NSS Organization**
 - Improving human resource management, teamwork and internal communications; and
 - Providing efficient, effective administration services to meet NSS management needs.

SAR Program Management Framework

The newly approved SAR Program Management Framework is intended to meet the key objectives of Treasury Board Secretariat guidelines on comptrollership in the areas of integrated performance information, collective risk management, and appropriate control mechanisms. With the key building blocks of the framework agreed upon by the program partners, work in the coming year will focus on the development of risk-based management and accountability frameworks for the program, and on refining performance measures.

Resource overview

The following tables indicate the financial and personnel resources that each federal partner dedicates to the National SAR Program. These resources are included in each department's RPP and are presented here as collective resource information on the horizontal SAR Program.

Personnel requirements — SAR (FTEs)

	ACTUAL 2003–04	PLANNED 2004–05	PLANNED 2005–06	PLANNED 2006–07
National Search and Rescue Secretariat	21.5	22	22	22
Environment Canada	14	14	14	14
Department of Fisheries and Oceans*	N/A	N/A	N/A	N/A
Department of National Defence**	781	624	620	620
Parks Canada	64	64	64	64
Royal Canadian Mounted Police*	N/A	N/A	N/A	N/A
Transport Canada	7	7	7	7
Total	887.5	731	727	727

Source: National Search and Rescue Secretariat

Note: *Precise FTE information is not available for DFO or the RCMP because their personnel are multi tasked.

**The drop in FTEs from FY 2003–2004 to FY 2004–2005 reflects the deletion of aircraft maintenance positions at 413 Squadron and 424 Squadron following the contracting out of maintenance of the Cormorant helicopter, and higher than average Search and Rescue (SAR) activity levels in 2003–2004.



Search and Rescue Program costs by participating department

(\$ 000's)	ACTUAL SPENDING 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
National Search and Rescue Secretariat	11,269	10,856	10,755	10,720
Environment Canada	1,600	1,600	1,600	1,600
Department of Fisheries and Oceans*	93,393	–	–	–
Department of National Defence**	161,589	149,357	136,744	130,532
Parks Canada	4,929	4,929	4,929	4,929
Royal Canadian Mounted Police***	–	–	–	–
Transport Canada	985	1,000	1,000	1,000
Total	273,765	167,742	155,028	148,781

Source: National Search and Rescue Secretariat

Notes: *DFO operating and maintenance amounts to \$88,701,000; Grants and contributions are \$4,692,000. Planned spending figures for 2004 to 2007 are not available at this time due to the creation of the Canadian Coast Guard as a Special Operating Agency.

** Amounts for Fixed Wing Search and Rescue (SAR) are not included as funding approval is in progress. Decreases in the planning years reflect the Close out of the Cormorant project.

***Information not available

National Search and Rescue Secretariat

RESOURCES				
FINANCIAL BY FISCAL YEAR				
(\$ 000's)	ACTUAL SPENDING 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Vote 1 - Salary and Personnel	1,376	1,509	1,447	1,403
Vote 1 - Operating and Maintenance	856	937	898	907
Sub-total Vote 1	\$ 2,232	\$ 2,446	\$ 2,345	\$ 2,310
Vote 5 - Capital	7,352	8,195	8,195	8,195
Vote 10 – Grants and Contributions	1,685	215	215	215
Grand total	\$ 11,269	\$ 10,856	\$ 10,755	\$ 10,720

Source: National Search and Rescue Secretariat and Assistant Deputy Minister (Finance and Corporate Services)

Note:

- Baseline Capital of \$8,195K includes \$8.1M New Search and Rescue initiative Fund (SAR-NIF) and \$95K National Search and Rescue Secretariat (NSS) Capital.
- Baseline Grants and Contributions of \$215K includes Canada's share of the costs for the "Cosmicheskaya Sistyema Poiska Avariynich Sudov: -"Search and Rescue Satellite-Aided Tracking" (COSPAS-SARSAT) Secretariat.
- FY 03/04 Grants and Contributions increased by \$1,467K to reflect New Initiatives Fund (NIF) contributions to provinces and territories.

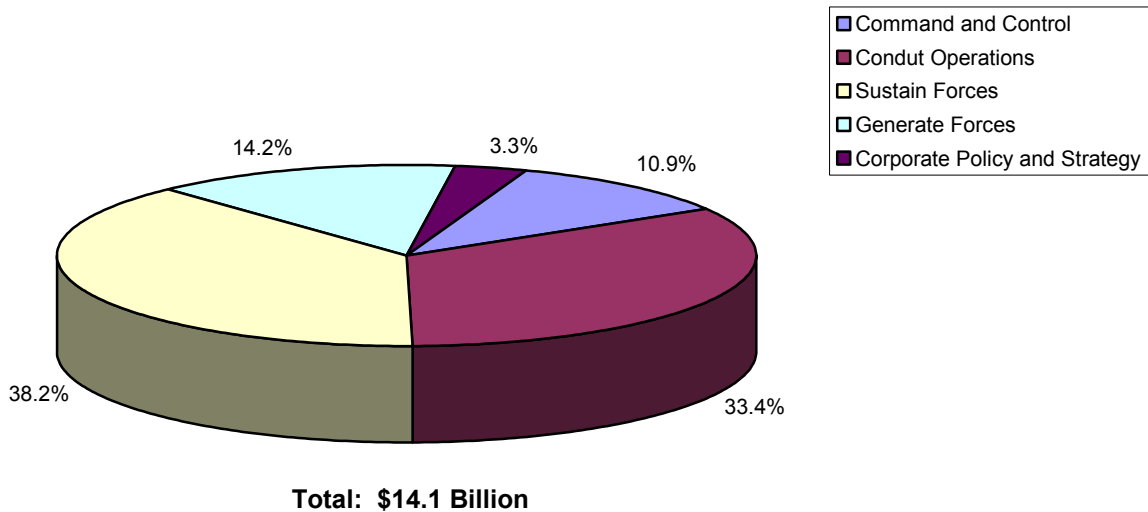
For more information, visit the NSS website at: www.nss.gc.ca



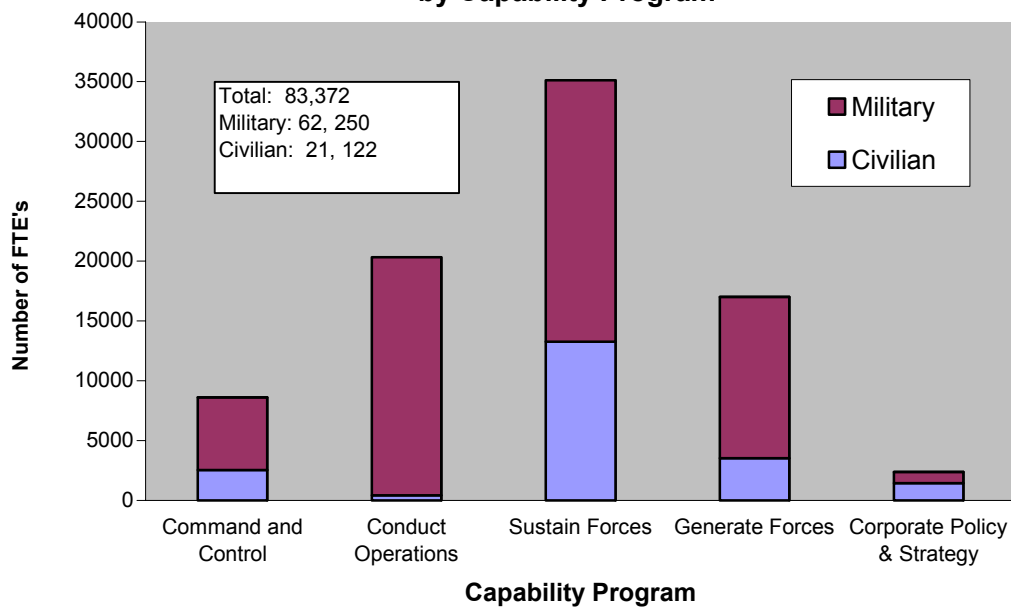
Section 3: Financial and Departmental Overview

Resource Overview

Net Planned Spending for FY 2004-05, by Capability Program



Planned Military and Civilian FTE's for FY 2004-05, by Capability Program





Departmental Planned Spending

(\$ 000's)	ACTUAL SPENDING 2003–04	ACTUAL SPENDING WITHOUT OCIPEP 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Command and Control	1,441,414	1,441,414	1,461,954	1,482,159	1,504,008
Conduct Operations	4,758,154	4,641,482	4,235,516	4,279,921	4,362,657
Sustain Forces	4,976,349	4,976,349	5,377,157	5,420,844	5,506,673
Generate Forces	1,952,881	1,952,881	2,166,099	2,179,748	2,207,203
Corporate Policy and Strategy	490,272	443,284	468,451	475,827	477,150
Budgetary Main Estimates (gross)	13,619,070	13,455,410	13,709,177	13,838,499	14,057,691
Less: Respendable revenue	(433,455)	(433,455)	(421,661)	(425,827)	(434,844)
Total Main Estimates/Spending	13,185,615	13,021,955	13,287,516	13,412,672	13,622,847
Adjustments:					
Addressing Foreign Overfishing Outside Canada's 220 Mile Zone			2,000		
Invest in Real Property			2,778		
Compensation – Medical and Dental Officers			7,120	3,560	3,560
Lawful Access				15,700	15,700
Marine Security - HFSWR			1,142	19,353	14,527
Ex-Gratia Payments to Veterans Involved in Chemical Warfare Testing			28,400	10,350	10,350
Contaminated Sites Cleanup			23,096	17,436	22,517
Operation Altair – Budget 2004			20,000		
Provision for Haiti Mission – Budget 2004			50,000		
Provision for Repair and Overhaul of Equipment after Operation Athena – Budget 2004			60,000		
Extension of Operation Athena Post August 2004 – Budget 2004			115,000	55,000	
National Security Policy			46,500	70,500	82,000
Carry Forward from 2003-04			418,000		
Total Adjustments			774,036	191,899	148,654
Net Planned Spending	13,185,615	13,021,955	14,061,552	13,604,571	13,771,501
Less: Non-Respendable revenue	(16,538)	(16,538)	(10,723)	(10,916)	(10,882)
Plus: Cost of services without charge	486,669	483,885	495,167	494,156	494,054
Net Cost of Program	13,655,746	13,489,302	14,545,996	14,087,811	14,254,673
Full Time Equivalents (Military and Civilian)	84,171	83,952	83,372	83,572	83,572

Source: Assistant Deputy Minister (Finance and Corporate Services)

Note:

As part of the Government's restructuring of Departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness. Figures depicting actual spending for 2003-04 are presented both including and excluding OCIPEP.

**Table 1: Summary of Capital Spending by Capability Program**

DEFENCE SERVICES PROGRAM (\$ 000's)	ACTUAL SPENDING 2003-04	ACTUAL SPENDING WITHOUT OCIPEP 2003-04	PLANNED SPENDING 2004-05	PLANNED SPENDING 2005-06	PLANNED SPENDING 2006-07
Command and Control	318,655	318,655	500,550	489,149	491,828
Conduct Operations	968,796	968,796	980,842	901,533	920,377
Sustain Forces	494,605	494,605	721,539	693,727	709,570
Generate Forces	122,096	122,096	173,691	164,546	168,303
Corporate Policy and Strategy	40,051	39,877	45,495	43,812	44,825
Total	1,944,203	1,944,029	2,422,177	2,292,767	2,334,903

Source: Assistant Deputy Minister (Finance and Corporate Services)

Note:

As part of the Government's restructuring of departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness. Figures depicting actual spending for 2003-04 are presented both including and excluding OCIPEP.



Table 2a: Details on Project Spending — Capital Equipment Program (\$ Thousands)

Projects are listed in Table 2a if they are either: likely to cost more than \$30 million, the approval authority granted to DND by the Treasury Board; or projects of particularly high risk, whatever the costs involved. All major capital equipment projects are counted as part of the Generate Forces capability program but, to clarify what they generate, the list of projects has been divided according to the capability program supported. For fiscal year 2004–2005, planned spending on **major** capital equipment projects represents **88%** of total planned spending on capital equipment.

PROJECT NUMBER	CAPABILITY PROGRAM	PROJECT PHASE	CURRENT ESTIMATED TOTAL COST	ACTUAL SPENDING TO MARCH 31, 2004	PLANNED SPENDING 2004–2005	PLANNED SPENDING 2005–2006	PLANNED SPENDING 2006–2007	FUTURE YEARS SPENDING REQUIREMENTS
	Command And Control							
180	CF-18 Multi-purpose Display Group Project	Implementation	98,760	52,351	7,403	4,600	27,959	6,447
192	Data Management System	Implementation	219,851	-	26,707	30,360	55,527	107,257
273	CF-18 Advanced Multi-role Infrared Sensor	Implementation	186,060	-	90	24,988	55,002	105,980
276	Intelligence, Surveillance, Target Acquisition & Reconnaissance	Definition	46,444	6,230	19,271	15,844	4,015	1,084
295	Aurora Communication Management System Replacement	Implementation	89,745	36,339	20,677	15,968	13,442	3,319
317	Aurora Electro-optical System Replacement	Implementation	46,924	33,544	7,498	5,436	446	-
423	Aurora - Electronic Support Measures Replacements	Implementation	177,408	50,475	32,741	35,578	21,580	37,034
428	Aurora - Imaging Radar Acquisition	Implementation	255,120	20,358	56,874	51,358	49,928	76,602
1574	Tactical Command, Control & Communication System	Implementation	1,927,700	1,854,892	48,833	23,975	-	-
1656	Land Forces Command System	Implementation	178,314	167,591	8,723	2,000	-	-
2066	EW - Land TAC EW Improvement	Close out	75,502	74,889	613			-
2370	CC – 130 Avionics Upgrade	Close out	96,176	90,718	5,458			-
2371	Advanced Navigation and Precision Approach Phase II	Implementation	98,563	44,652	15,540	13,115	9,824	15,432
2469	Canadian Forces Command System	Implementation	51,713	42,718	8,995			-
2526	Region/Sector Air Operations Centre	Implementation	134,668	64,220	31,132	21,551	685	17,080
2660	8 Air Communication & Control System	Implementation	46,528	44,509	2,019			-



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PROJECT NUMBER	CAPABILITY PROGRAM	PROJECT PHASE	CURRENT ESTIMATED TOTAL COST	ACTUAL SPENDING TO MARCH 31, 2004	PLANNED SPENDING 2004–2005	PLANNED SPENDING 2005–2006	PLANNED SPENDING 2006–2007	FUTURE YEARS SPENDING REQUIREMENTS
2683	Position Determination & Navigation System	Close out	73,371	68,928	4,443	-	-	-
2783	Identification Friend or Foe Mode S/5	Implementation	38,176	-	4,604	7,885	9,528	16,159
2803	Protected Military Satellite Communication	Implementation	551,665	145,223	82,384	62,383	50,259	211,416
3667	Surveillance of Space	Implementation	95,449	3,837	4,221	2,126	5,882	79,383
	Command and Control Subtotal		4,488,137	2,801,474	388,226	317,167	304,077	677,193
	Conduct Operations							
58	Wheeled Light Armoured Vehicle Life Extension	Implementation	232,700	51,523	12,616	13,710	51,088	103,763
86	Operational Flight Program	Implementation	111,519	8,312	19,290	20,553	19,254	44,110
562	COY Area Suppression Weapon	Definition	87,712	-	2,231	2,445	28,916	54,120
583	CF18 - Engineering Change Proposal 583	Implementation	1,009,328	665,235	80,691	85,886	31,696	145,820
629	Monocular Night Vision Goggles & Aim Laser	Implementation	35,893	-	22,751	5,711	5,711	1,720
731	Mobile Gun System (B)	Definition	157,652	-	5,519	39,453	112,680	-
1399	North American Air Defence Modernization	Close out	1,054,753	1,054,227	526	-	-	-
1487	Canadian Towed Array Sonar System	Close out	121,019	120,620	399	-	-	-
1495	Canadian Patrol Frigate	Close out	8,957,300	8,898,900	10,000	32,238	-	16,162
1686	CF18 - Advanced Air to Air Weapon - Short Range (B)	Preliminary approval	165,435	3,038	3,875	6,127	16,128	136,267
1700	DDH – 280 Tribal Class Update and Modification Program	Close out	1,382,548	1,381,148	900	500	-	-
2211	CC130 – Hercules Tactical Transport	Close out	350,214	350,088	126	-	-	-
2320	Military Automated Air Traffic System	Implementation	169,208	121,264	25,370	14,714	7,860	-
2349	Light Utility Vehicle Wheeled	Implementation	225,669	49,830	144,411	24,100	1,855	5,473
2517	Canadian Forces Utility Tactical Transport Helicopters	Implementation	1,096,535	1,059,471	10,346	16,500	6,815	3,403



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PROJECT NUMBER	CAPABILITY PROGRAM	PROJECT PHASE	CURRENT ESTIMATED TOTAL COST	ACTUAL SPENDING TO MARCH 31, 2004	PLANNED SPENDING 2004–2005	PLANNED SPENDING 2005–2006	PLANNED SPENDING 2006–2007	FUTURE YEARS SPENDING REQUIREMENTS
2549	Submarine Capability Life Extension	Implementation	868,422	555,631	70,810	79,069	69,606	93,306
2618	CC130 – Hercules Replacement	Close out	107,756	106,776	980	-	-	-
2619	Air Combat Manoeuvring Instrumentation System	Implementation	33,290	28,969	3,084	1,131	106	-
2622	Active Phased Array Radar	Close out	52,734	50,560	2,174	-	-	-
2625	Vehicles - Lynx Replacement Project	Close out	880,381	868,598	11,783	-	-	-
2637	Armoured Personnel Carriers	Implementation	2,219,890	1,834,544	136,079	137,203	112,064	-
2640	Evolved Sea Sparrow Missiles	Implementation	514,200	250,998	114,043	140,000	9,159	-
2650	Leopard Thermal Sight	Close out	132,698	132,498	200	-	-	-
2657	CC150 Strategic Air-to-Air Refuelling	Implementation	107,676	34,764	65,040	7,872	-	-
2664	Advanced electro Optic Sensor	Close out	37,667	32,020	5,647	-	-	-
2678	Canadian Search and Rescue Helicopter	Implementation	774,540	742,190	23,482	8,618	250	-
2680	Maritime Helicopter Project	Definition	104,955	48,799	13,464	12,390	3,192	27,110
2684	Improved Landmine Detection Capability	Close out	32,526	30,297	751	1,478	-	-
2731	Armoured Personnel Carriers Life Extension	Implementation	328,479	264,597	46,945	15,989	948	-
2754	CF-18 Advanced Air-to-Air Weapon - Medium Range	Implementation	138,489	20,096	23,885	37,987	24,085	32,436
	Conduct Operations Subtotal		21,491,188	18,764,993	857,418	703,674	501,413	663,690
	Sustain Forces							
405	Canadian Aerospace Synthetic Environment	Implementation	38,599	1,450	8,524	2,960	9,323	16,342
439	Allied Vaccine Development Project	Implementation	35,031	16,944	6,836	3,866	3,987	3,398
451	Primrose Lake Eevaluation Range TSPI System	Implementation	63,150	1	5,106	26,286	25,956	5,801
480	Integrated Clothing Ensemble	Implementation	36,728	10,128	21,906	4,694	-	-
1947	Canadian Forces Supply System Upgrade	Close out	304,063	297,979	3,405	614	-	2,065



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PROJECT NUMBER	CAPABILITY PROGRAM	PROJECT PHASE	CURRENT ESTIMATED TOTAL COST	ACTUAL SPENDING TO MARCH 31, 2004	PLANNED SPENDING 2004–2005	PLANNED SPENDING 2005–2006	PLANNED SPENDING 2006–2007	FUTURE YEARS SPENDING REQUIREMENTS
2272	Materiel Acquisition and Support Information System	Implementation	179,928	134,471	20,979	5,995	-	18,483
2400	Defence Integrated Human Resource System	Implementation	98,303	55,820	20,767	13,371	8,345	-
2400	Defence Integrated Human Resource System (B)	Preliminary Approval	29,766	-	22,092	7,674	-	-
2475	Defence Message Handling System	Implementation	138,421	69,786	25,867	7,566	1,799	33,403
2535	Classified Electronic Key Management System	Close out	34,684	33,394	1,290	-	-	-
2536	Role Three Health Support	Implementation	40,434	29,295	8,171	2,158	-	810
2573	Maritime Environmental Protection Project	Implementation	55,507	10,555	4,227	3,366	1,470	35,889
2796	YAG 300 Training Vessel Replacement	Implementation	70,311	102	5,807	5,791	22,357	36,254
XXXX	Clothe The Soldier (Omnibus Project)	Implementation	274,506	180,206	39,400	51,200	3,700	-
	Sustain Forces Subtotal		1,399,431	840,131	194,377	135,541	76,937	152,445
	Generate Forces							
113	Advanced Distributed Combat Training System	Implementation	187,741	2,366	113,109	29,494	16,250	26,522
410	Aurora - Flight Deck Simulator	Implementation	39,885	20,735	14,160	4,990	-	-
536	Aurora – Operator Mission Simulator	Implementation	44,633	6,273	9,557	17,362	5,486	5,955
641	CEMS Advanced Crew Ensemble (B)	Definition	899	-	741	158	-	-
2058	Weapons Effect Simulator	Implementation	113,712	30,309	26,035	47,336	4,924	5,108
2237	Naval Combat Operator Trainer	Implementation	39,585	39,410	175	-	-	-
	Generate Forces Subtotal		426,455	99,093	163,777	99,340	26,660	37,585
	All Capabilities Total		27,805,211	22,505,691	1,603,798	1,255,722	909,087	1,530,913

**Table 2b: Capital Construction Program — Spending over \$60 million (\$ Thousands)**

Projects are listed in Table 2b if they are either: likely to cost more than \$60 million, the approval authority granted to DND by the Treasury Board; or projects of particularly high risk, whatever the costs involved. All major capital construction projects fall under the Sustain Forces capability program. For fiscal year 2004–2005, planned spending on **major** capital construction projects represents **10.3%** of **total** planned spending on capital construction projects.

IN SUPPORT OF SUSTAIN FORCES CAPABILITY PROGRAM	CURRENT ESTIMATED COST	ACTUAL 2003-04	PLANNED SPENDING 2004–2005	PLANNED SPENDING 2005-06	PLANNED SPENDING 2006-07	FUTURE YEARS REQUIREMENTS
British Columbia						
Replace “B” Jetty (PPA) (PD)	70,950 (I)	480 (S)	0	1,000 (I)	3,400(I)	66,190 (I)
Replace “A” Jetty (PPA) (PD)	85,000 (I)	0	0	250 (S)	0	84,750 (I)
FMF Cape Breton (EPA) (PI)	88,260 (S)	15,410 (S)	18,100 (S)	16,550(S)	6,150(S)	0
Colwood Refueling Facility (EPA) (PI)	60,500 (S)	13,220 (S)	1,070 (S)	0	0	0
New Brunswick						
RTA Sedimentation Remediation (Gagetown) (PPA) (PD)	108,110 (I)	490 (S)	6,290 (I)	6,290 (I)	6,290 (I)	94,610 (I)
Québec						
Infrastructure Modernization (DRDC Valcartier) (PPA) (PD)	99,910 (I)	0	0	0	0	99,910 (I)
Various Sites						
Health Services Facility Recap (PPA) (PD) (PI)	164,000 (I)	4,860 (S)	8,570 (I)	10,560 (I)	8,250 (I)	131,760 (I)
Total	676,730	34,460	34,030	34,650	24,090	477,220

Source: Assistant Deputy Minister (Infrastructure and Environment)

Legend: I = Indicative Estimate S = Substantive Estimate
 PPA = Preliminary Project Approval EPA = Effective Project Approval
 PD = Project Definition PI = Project Implementation

For additional information on Federal Real Property and Federal Immovables Act visit:

[<http://laws.justice.gc.ca/en/F-8.4/text.html>](http://laws.justice.gc.ca/en/F-8.4/text.html)

Table 3: Status Report on Major Crown Projects

The status report on Major Crown Equipment Projects is available on line at:

http://vcds-dev.ottawa-hull.mil.ca/dgsp/pubs/rep-pub/ddm/rpp/rpp_e.asp

**Table 4: Summary of Transfer Payments**

(\$ 000's)	ACTUAL SPENDING 2003-04	ACTUAL SPENDING WITHOUT OCIPEP 2003-04	PLANNED SPENDING 2004-05	PLANNED SPENDING 2005-06	PLANNED SPENDING 2006-07
Grants					
Sustain Forces	88	88	100	100	100
Generate Forces	1,147	1,147	1,147	1,147	1,147
Corporate Policy and Strategy	2,868	2,828	2,952	2,952	952
Sub-total Grants	4,103	4,063	4,199	4,199	2,199
Contributions					
Conduct Operations	120,667	3,995	2,837	3,008	3,286
Sustain Forces	10,908	10,908	19,950	20,450	21,450
Generate Forces	5,000	5,000	2,000	2,000	2,000
Corporate Policy and Strategy	149,541	140,280	168,190	167,886	167,897
Sub-total Contributions	286,116	160,183	192,977	193,344	194,633
Total Grants and Contributions	290,219	164,246	197,176	197,543	196,832

Source: Assistant Deputy Minister (Finance and Corporate Services)

Note: As part of the Government's restructuring of departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness. Figures depicting actual spending for 2003-04 are presented both including and excluding OCIPEP.

Table 5: Details on Transfer Payment Programs

The information in this table is provided in accordance with paragraph 7.4.5 of the policy on transfer payments released on June 1, 2000, which states that the Report on Plans and Priorities must include additional information on Grants, Contributions and Other Transfer Payments that receive funding in excess of \$5 million. Transfer payments over \$5 million represent about 90.9% of the transfer payments at National Defence. The breakdown and distribution are illustrated below. Detailed information about transfer payments is available at: www.vcds.forces.ca/dgsp/pubs/ddm/rpp/rpp04-05/transpay_e.asp

TRANSFER PAYMENTS OVER \$5 MILLION: BREAKDOWN			
DESCRIPTION OF TRANSFER PAYMENT (000's)	IN SUPPORT OF CAPABILITY PROGRAM	TYPE OF TRANSFER PAYMENT	MAIN ESTIMATES 2004-2005
Supplementary Retirement Benefit Act (SRBA) Payments	Sustain Forces	Statutories	12,000
Contribution to Provinces and Municipalities for Capital Assistance Projects (CAP)	Sustain Forces	Contributions	5,450
NATO Airborne Early Warning Mid Term Modernization Program	Corporate Policy and Strategy	Contributions	25,000
NATO Military Budget	Corporate Policy and Strategy	Contributions	88,500
NATO Security Investment Program	Corporate Policy and Strategy	Contributions	46,500
Subtotal Transfer Payment over \$5 million			177,450
Total Transfer Payment			195,176

Source: Assistant Deputy Minister (Finance and Corporate Services)



Table 6: Sources of Respendable and Non-Respendable Revenue, by Capability Program

(\$000's)	ACTUAL REVENUE 2003-04	ACTUAL REVENUE Without OCIPEP 2003-04	PLANNED REVENUE 2004-05	PLANNED REVENUE 2005-06	PLANNED REVENUE 2006-07
Respendable Revenue					
Command and Control	347	347	3,893	3,957	3,967
Conduct Operations	1,517	1,517	1,830	1,863	1,896
Sustain Forces	179,927	179,927	165,506	168,487	170,239
Generate Forces	245,812	245,812	244,539	246,081	253,301
Corporate Policy and Strategy	5,852	5,852	5,893	5,439	5,441
Total Respendable Revenue	433,455	433,455	421,661	425,827	434,844
Non-Respendable Revenue Defence Services Program					
Corporate Policy and Strategy	16,538	16,538	10,723	10,916	10,882
Total Non-Respendable Revenue	16,538	16,538	10,723	10,916	10,882
Total Respendable Revenue and Non- respendable Revenue	449,993	449,993	432,384	436,743	445,726

Source: Assistant Deputy Minister (Finance & Corporate Services)

Note: As part of the Government's restructuring of departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness. Figures depicting actual spending for 2003-04 are presented both including and excluding OCIPEP.

Table 7: Net Costs of the Program for the Estimates Year

(\$000's)	DEFENCE SERVICES PROGRAM FY 2004-05
Net Planned Spending (Total Main Estimates plus Adjustments as per the Planned Spending table)	14,061,552
Plus: Services Received without Charge	
Accommodation provided by Public Works and Government Services Canada (PWGSC)	58,904
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	423,439
Worker's compensation coverage provided by Human Resources Canada	10,260
Salary and associated expenditures of legal services provided by Justice Canada	2,564
Subtotal	14,556,719
Less: Non-respendable Revenue	10,723
2004-2005 Net cost of Program	14,545,996

Source: Assistant Deputy Minister (Finance and Corporate Services)

Note: As part of the Government's restructuring of departments announced December 12, 2003, the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) was transferred from National Defence to the new Department of Public Safety and Emergency Preparedness.

**Table 8: Loans, Investments and Advances**

(\$ 000'S)	ACTUAL SPENDING 2003-04	PLANNED SPENDING 2004-05	PLANNED SPENDING 2005-06	PLANNED SPENDING 2006-07
NATO Damage Claims (Note 1)				
(1) Payments and charges	75	40	40	30
(2) Receipts and other credits	68	30	30	23
Subtotal	7	10	10	8
Imprest Accounts, Standing Advances and Authorized Loans (Note 2)				
(1) Payments and charges	23,616	405,000	410,000	415,000
(2) Receipts and other credits	21,020	385,000	390,000	395,000
Subtotal	2,595	20,000	20,000	20,000
Canadian Forces Housing Projects (Note 3)				
(1) Payments and charges	498	0	0	0
(2) Receipts and other credits	414	287	48	0
Subtotal	83	(287)	(48)	0
Total	2,686	19,723	19,962	20,008

Source: Assistant Deputy Minister (Finance and Corporate Services)

Due to rounding figures may not add up to totals shown.

Note 1: Article VIII of the NATO Status of Forces Agreement signed April 4, 1949, as amended, deals with claims for damages to third parties arising from accidents involving a member of a visiting force. This account is charged with the amount recoverable from other states, for claims for damages that took place in Canada, and is credited with recoveries.

Note 2: This account was established for the purpose of financing: (a) public funds imprest accounts and public funds advance accounts; (b) standing advances; (c) authorized loans and advances to employees posted abroad; and (d) authorized recoverable advances to establish military messes and canteens. The total amount authorized to be outstanding at any time is \$120,000,000 as last amended by National Defence Vote L11b, Appropriation Act No. 4, 2001-2002.

Note 3: Advances have been made to the Canada Mortgage and Housing Corporation, in respect of loans arranged by the Corporation for housing projects for occupancy by members of the Canadian Forces.

Table 9: Alternative Service Delivery

Details on ASD can be found at: www.vcds.forces.ca/dgsp/pubs/rep-pub/ddm/rpp04-05/asd_e.asp



Planned Full-Time Equivalents (FTEs)

Table 10: Personnel Requirements — Civilian

CAPABILITY PROGRAMS	ACTUAL 2002–03	2003-04			PLANNED 2004–05	PLANNED 2005–06	PLANNED 2006–07
		Actual	Transferred to PSEPC*	Actual Without OCIPEP			
Command and Control	2,281	2,583	0	2,583	2,530	2,530	2,530
Conduct Operations	399	421	0	421	404	404	404
Sustain Forces	13,618	13,790	0	13,790	13,245	13,245	13,245
Generate Forces	3,453	3,672	0	3,672	3,527	3,527	3,527
Corporate Policy & Strategy	1,285	1,693	219	1,474	1,416	1,416	1,416
Total	21,036	22,159	219	21,940	21,122	21,122	21,122

Source: Assistant Deputy Minister (Human Resources-Civilian)

Note: As a result of the Government's December 12, 2003 decision, OCIPEP FTE's were transferred to Public Safety and Emergency Preparedness Canada (PSEPC).

Table 11: Personnel Requirements — Military (Regular Force)

Capability Programs	Actual 2002-03	2003-04			Planned 2004-05	Planned 2005-06	Planned 2006-07
		Actual	Transferred*	Actual Without OCIPEP			
Command and Control	5,616	5,616	0	5,616	6,072	6,072	6,072
Conduct Operations	18,736	18,898	0	18,898	19,910	20,110	20,110
Sustain Forces	22,204	22,316	0	22,316	21,854	21,854	21,854
Generate Forces	14,009	14,223	0	14,223	13,466	13,466	13,466
Corporate Policy & Strategy	1,030	959	0	959	948	948	948
Total	61,595	62,012	0	62,012	62,250	62,450	62,450

Source: Assistant Deputy Minister (Human Resources - Military)

Note: As a result of the Government's December 12, 2003 decision, OCIPEP FTE's were transferred to Public Safety and Emergency Preparedness Canada (PSEPC).

**Table 12: Personnel Requirements — Combined Civilian and Military**

CAPABILITY PROGRAMS	ACTUAL 2002–03	2003–04			PLANNED 2004–05	PLANNED 2005–06	PLANNED 2006–07
		Actual	Transferred*	Actual Without OCIPEP			
Command and Control	7,897	8,199	0	8,199	8,602	8,602	8,602
Conduct Operations	19,135	19,319	0	19,319	20,314	20,514	20,514
Sustain Forces	35,822	36,106	0	36,106	35,099	35,099	35,099
Generate Forces	17,462	17,895	0	17,895	16,993	16,993	16,993
Corporate Policy & Strategy	2,315	2,652	219	2,433	2,364	2,364	2,364
Total	82,631	84,171	219	83,952	83,372	83,572	83,572

Source: Assistant Deputy Minister (Human Resources-Civilian) and Assistant Deputy Minister (Human Resources-Military)

Note: As a result of the Government's December 12, 2003 decision, OCIPEP FTE's were transferred to Public Safety and Emergency Preparedness Canada.


Table 13: FTEs — Military (Regular Force), by Rank

	ACTUAL 2002–03	ACTUAL 2003–04	PLANNED 2004–05	PLANNED 2005–06	PLANNED 2006–07
Officers					
General, Lieutenant-General; Admiral, Vice-Admiral*	12	11	9	9	9
Major-General; Rear-Admiral	20	20	18	18	18
Brigadier-General; Commodore	44	42	40	40	40
Colonel; Captain (Navy)	300	313	281	281	281
Lieutenant-Colonel; Commander	1,052	1,061	1,007	1,007	1,007
Major; Lieutenant-Commander	3,152	3,185	3,138	3,138	3,138
Captain; Lieutenant (Navy)	5,843	5,788	5,800	5,800	5,800
Lieutenant, Second-Lieutenant; Sub-Lieutenant, Acting Sub-Lieutenant	1,627	1,829	1,519	1,519	1,519
Officer Cadet; Naval Cadet	1,808	1,687	1,861	1,861	1,861
Sub-total (Officers)	13,858	13,936	13,673	13,673	13,673
Non-Commissioned Members (NCMs)					
Chief Warrant Officer; Chief Petty Officer 1 st Class	644	668	593	593	593
Master Warrant Officer; Chief Petty Officer 2 nd Class	1,769	1,774	1,634	1,634	1,634
Warrant Officer; Petty Officer 1 st Class	3,640	3,677	3,608	3,608	3,608
Sergeant; Petty Officer 2 nd Class)	6,717	6,758	6,657	6,657	6,657
Master Corporal, Corporal; Master Seaman, Leading Seaman	26,058	25,319	23,584	23,784	23,784
Private, Private (Recruit); Able Seaman, Ordinary Seaman	8,909	9,880	12,501	12,501	12,501
Sub-total (NCMs)	47,737	48,076	48,577	48,777	48,777
Total	61,595	62,012	62,250	62,450	62,450

Source: Assistant Deputy Minister (Human Resources - Military)

Note: * Several general officers and flag officers are employed outside the CF, (e.g., at the UN and with NATO), and in other Canadian federal government institutions.


Table 14: FTEs — Civilian, by Professional Category

Professional Category	Actual 2002–03	2003–04			Planned 2004–05	Planned 2005–06	Planned 2006–07
		Actual	Transferred to PSEPC*	Actual without OCIPEP			
OIC Appointments	3	3	0	3	3	3	3
Executive	115	121	14	107	103	103	103
Scientific and Professional	1,669	1,852	21	1,831	1,758	1,758	1,758
Administrative and Foreign Service	4,006	4,777	155	4,622	4,440	4,440	4,440
Technical	2,025	2,119	6	2,113	2,029	2,029	2,029
Administrative Support other than Clerical	743	615	1	614	589	589	589
Clerical and Regulatory	3,399	3,489	22	3,467	3,330	3,330	3,330
Operational other than General Labour and General Services	2,252	2,276	0	2,276	2,186	2,186	2,186
General Labour and Trades	3,071	3,073	0	3,073	2,952	2,952	2,952
General Services	2,347	2,357	0	2,357	2,264	2,264	2,264
Other (Students, Minister's Staff, Unknown)	291	237	0	237	228	228	228
Communications Security Establishment (CSE) staff – (executives and non-executives)	1,115	1,240	0	1,240	1,240	1,240	1,240
Total	21,036	22,159	219	21,940	21,122	21,122	21,122

Source: Assistant Deputy Minister (Human Resources – Civilian)

Note:

* As a result of the Government's December 12, 2003 decision, OCIPEP FTEs were transferred to Public Safety and Emergency Preparedness Canada (PSEPC).



Section 4: Financial Tables of Selected Defence Portfolio Organizations

Table 1: Reserve Forces

(\$ 000's)	ACTUAL SPENDING 2003–04	PLANNED SPENDING 2004–05
Direct Operating Expenditures		
Reserve Pay	431,618	418,600
Regular Support Staff	121,282	124,315
Reserve Operating	64,159	62,561
Subtotal: Direct	\$ 617,059	\$ 605,476
Indirect Operating Expenditures		
Ammunition	19,372	34,470
Equipment Usage	70,390	71,536
Clothing	11,073	11,261
Facility Operating	30,067	30,669
Subtotal: Indirect	\$ 130,902	\$ 147,936
Attributed Operating Expenditures		
Base Support	160,598	164,209
Training	7,196	7,376
Subtotal: Attributed	\$ 167,794	\$ 171,585
Subtotal: Primary Reserve Operating	\$ 915,755	\$ 924,997
Capital Expenditures		
Dedicated Capital	10,515	9,396
Shared Capital	44,228	106,763
Subtotal: Capital	\$ 54,743	\$ 116,159
GRAND TOTAL	\$ 970,498	\$ 1,041,156

Source: Assistant Deputy Minister (Finance and Corporate Services)

Note: Primary Reserve pay amounts do not include Reservists in support of Rangers, Cadet or the Supplementary Ready Reserve programs.


Table 2: Communications Security Establishment

RESOURCES FINANCIAL BY FISCAL YEAR				
(\$ 000's)	ACTUAL SPENDING 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Vote 1 - Salary and Personnel	81,162	77,559	84,385	89,685
Vote 1 - Operating and Maintenance	50,923	54,631	51,572	54,051
Sub-total Vote 1	\$ 132,085	\$ 132,190	\$ 135,957	\$ 143,736
Vote 5 - Capital	37,114	66,372	71,331	63,671
Grand total	\$ 169,199	\$ 198,562	\$ 207,288	\$ 207,407

Source: Communications Security Establishment and Assistant Deputy Minister (Finance and Corporate Services)

Note: Increase in salary and personnel spending for FY 03/04 is due to increased activity for Public Safety and Anti-Terrorism

Table 3: Office of the Ombudsman for the Department of National Defence and the Canadian Forces

RESOURCES FINANCIAL BY FISCAL YEAR				
(\$ 000's)	ACTUAL SPENDING 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Vote 1 - Salary and Personnel	2,830	3,584	3,584	3,584
Vote 1 - Operating and Maintenance	1,923	2,490	2,527	2,565
Sub-total Vote 1	\$ 4,753	\$ 6,074	\$ 6,111	\$ 6,149
Vote 5 - Capital	233	181	184	187
Grand total	\$ 4,986	\$ 6,255	\$ 6,295	\$ 6,336

Source: Office of the Ombudsman for National Defence and the Canadian Forces and Assistant Deputy Minister (Finance and Corporate Services)

Table 4: Office of the Judge Advocate General

RESOURCES FINANCIAL BY FISCAL YEAR				
(\$ 000's)	ACTUAL SPENDING 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Vote 1 - Salary and Personnel	4,686	4,725	4,725	4,725
Vote 1 - Operating and Maintenance	3,042	3,489	3,531	3,573
Sub-total Vote 1	\$ 7,728	\$ 8,214	\$ 8,256	\$ 8,299
Vote 5 - Capital	141	-	-	-
Grand total	\$ 7,869	\$ 8,214	\$ 8,256	\$ 8,299

Source: Office of the Judge Advocate General and Assistant Deputy Minister (Finance and Corporate Services)

**Table 5: Defence Research and Development Canada**

RESOURCES				
FINANCIAL BY FISCAL YEAR				
(\$ 000's)	ACTUAL SPENDING 2003–04	PLANNED SPENDING 2004–05	PLANNED SPENDING 2005–06	PLANNED SPENDING 2006–07
Vote 1 - Salary and Personnel	95,364	88,805	88,505	87,714
Vote 1 - Operating and Maintenance	135,236	154,570	159,230	158,301
Sub-total Vote 1	\$ 230,600	\$ 234,375	\$ 247,735	\$ 246,015
Vote 5 - Capital	18,847	15,462	10,471	10,481
Grand total	\$ 249,447	\$ 258,837	\$ 258,206	\$ 256,496

Source: Defence Research and Development Canada and Assistant Deputy Minister (Finance and Corporate Services)

Note:

The planning increase in operating and maintenance spending reflects increased activity related to Public Security and Anti-Terrorism initiatives as announced in the 2001 Federal Budget.

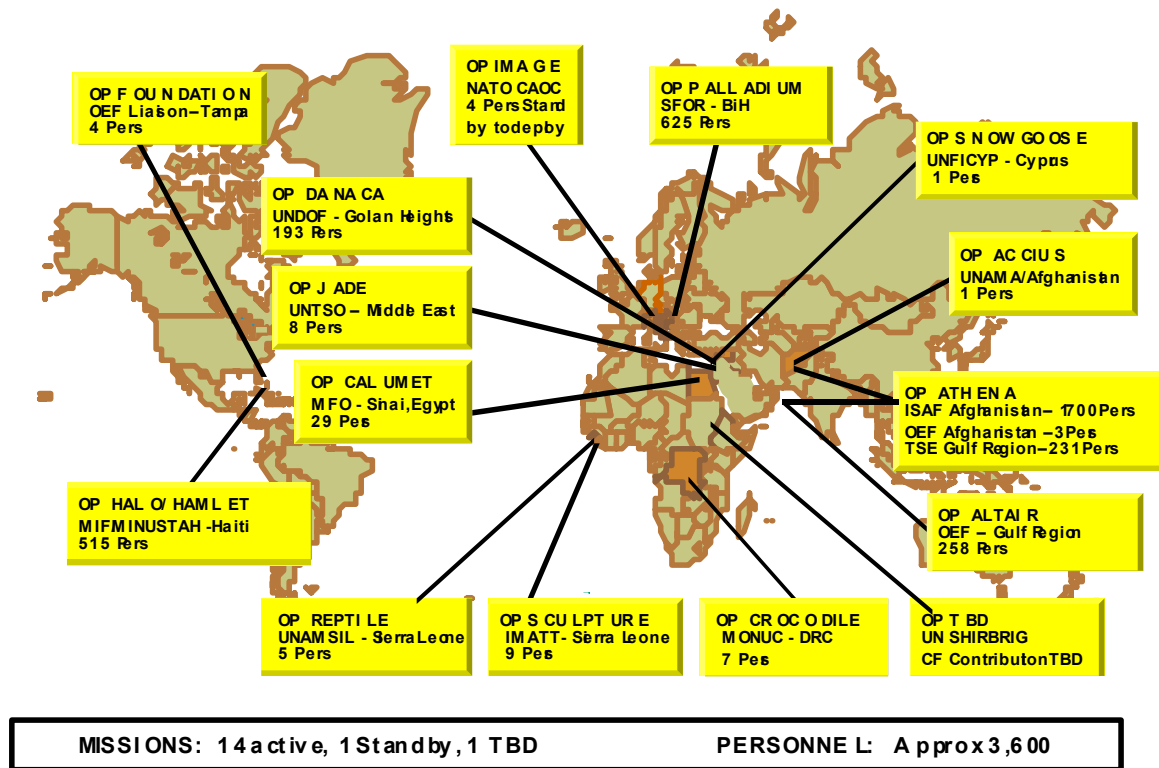
The planned decrease in capital expenditures reflects the “up-front” capital requirements of Public Security and Anti-Terrorism initiatives announced in the 2001 Federal Budget.



Section 5: Additional Information

Overseas Deployments Planned for Fiscal Year 2004–2005

Planned CF International Deployments for FY 2004-05



Source: DCDS (Correct as of 1 April 2004)

Africa

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

The mandate of UNAMSIL is to help the Government of Sierra Leone and other signatories to the July 1999 Lomé Peace Agreement implement the terms of the agreement, and to facilitate the disarmament, demobilization and reintegration of combatant forces. The CF contributes five officers who serve as UN Military Observers.

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

The mandate of the British-led IMATT is to provide the Government of the Republic of Sierra Leone with military advice and training to build effective, democratically accountable armed forces in accordance with the Lomé Peace Agreement. The CF contributes nine personnel.



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

The mandate of MONUC is to monitor and investigate violations of the July 1999 Lusaka Ceasefire Agreement. Canada's contribution consists of seven staff officers employed at MONUC Headquarters in Kinshasa and the Sector Headquarters in Kisangani. No end date is currently in place for our current commitment to this mission.

UN Standby High Readiness Brigade (SHIRBRIG)

Although Canada relinquished the presidency of SHIRBRIG in December 2003, Canadians are currently carrying out key roles and exerting considerable influence in this established but non-standing UN formation: for example, a Canadian brigadier-general assumed command of SHIRBRIG on December 18, 2003 for a term of two years. The UN has identified Africa as a priority for the next SHIRBRIG deployment, and a potential SHIRBRIG deployment to Sudan is scheduled in accordance with the peace process. The CF will not commit a formed body of troops to the Sudan deployment but will consider contributing several staff officers to the SHIRBRIG planning element.

The Gulf region and southwest Asia

International Security Assistance Force (ISAF) in Afghanistan: *Operation ATHENA*

In August 2003, approximately 2,000 CF personnel deployed to South-West Asia as part of the NATO-led, multinational force supporting the UN-mandated mission for peace and security in Afghanistan. Beginning in August 2004, the CF contribution, called Task Force Kabul, consists of about 900 personnel and includes:

- An armoured reconnaissance squadron;
- An infantry element;
- An engineer squadron;
- A National Command Element that links the Chief of the Defence Staff with Task Force Kabul;
- A National Support Element that provides centralized administrative and logistics support to Task Force Kabul;
- An airlift element which operates CC-130 Hercules tactical transport aircraft in support of Task Force Kabul;
- Logistics Support troops; and
- A Role 2+ medical facility.

Support to the Campaign Against Terrorism: *Operation ALTAIR* and *Operation FOUNDATION*

Operation ALTAIR consists of one Canadian warship committed to a U.S. Navy Carrier Battle Group operating with the coalition fleet in the Gulf under *Operation ENDURING FREEDOM*. *Operation ALTAIR* began early in 2004, and is a continuation of the naval force deployed under *Operation APOLLO*.



Operation FOUNDATION consists of a four-member Liaison Team employed at the United States Central Command (CENTCOM) Headquarters in Tampa, Florida, where the campaign against terrorism is directed.

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

UNAMA is a civilian mission established in March 2002 to direct all UN activities in Afghanistan, especially the co-ordination of political affairs and reconstruction activities co-ordination with the Afghan Transitional Authority. The CF contribution to UNAMA consists of one Lieutenant-Colonel who is one of three military advisors to the Special Representative to the Secretary General in Kabul, a tasking that includes liaison with ISAF and other coalition forces in Afghanistan. *Operation ACCIUS* ends in June 2004.

Central America and the Caribbean

Multinational Interim Force (MIF) in Haiti: *Operation HALO*

The MIF is the U.S.-led, UN-mandated force deployed in response to the internal disorder that erupted in Haiti in March 2004; it comprises troops from the U.S., France, Canada and Chile. The Canadian contingent, called Task Force Haiti, consists of approximately 512 soldiers and air personnel, including an infantry company group and a detachment of six CH-146 Griffon helicopters. Task Force Haiti was originally deployed only for the 90 days of the initial UN mandate, however, Canada agreed to extend its contribution until August 2004. With the closure of Task Force Haiti in August 2004, two CF officers will deploy with MINUSTAH Headquarters under *Operation HAMLET*.

Europe and the Balkan region

NATO Stabilization Force (SFOR): *Operation PALLADIUM*

SFOR comprises 12,000 NATO personnel deployed in Bosnia-Herzegovina to maintain a safe and secure environment to facilitate reconstruction after a decade of open conflict. In January 2004, the Canadian contingent, called Task Force Bosnia-Herzegovina (TFBH), consisted of 1,192 soldiers and air personnel serving in an infantry battalion group and a helicopter detachment. By May 2004, in accordance with SFOR direction for the reduction of military forces in early 2004, TFBH was about 625 strong. A Canadian brigadier-general commands one of the three Multi-National Brigades of SFOR until September 2004.

NATO Air Campaign: *Operation IMAGE*

Operation IMAGE has provided command and control of air assets over the Balkan region since the beginning of the Kosovo air campaign in 1999. The CF contribution to *Operation IMAGE* consists of four staff officers on 20 days' notice to deploy to Poggio Renatico, Italy, to work at the Combined Air Operations Centre.



The Middle East

United Nations Truce Supervision Organization (UNTSO): *Operation JADE*

UNTSO was formed after the Israeli War of Independence to observe and maintain the cease-fire between Israel, Egypt, Lebanon, Jordan and Syria. Canada began contributing United Nations Military Observers to UNTSO in 1954, and seven CF personnel are currently deployed in that role. In addition, a Lieutenant-Colonel deployed in November 2002 to serve as the Military Advisor to the United Nations Special Co-ordinator to the Occupied Territories (UNSCO), a position the CF will continue to staff until October 2004.

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

UNDOF has a mandate to supervise compliance with the disengagement and cease-fire agreement between Israel and Syria on the Golan Heights. The CF contributes some staff personnel to the mission headquarters and a 193-person Logistics unit that provides UNDOF with maintenance, transportation and communications support.

Multinational Force and Observers (MFO): *Operation CALUMET*

MFO is a non-UN mission deployed in the Sinai to supervise the peace between Israel and Egypt in accordance with the Camp David Accord of 1979, mission that includes operating a series of observation posts, command posts and traffic checkpoints. The CF provides 29 personnel to the staff at MFO Headquarters. A retired Canadian general relinquished command of the MFO in March 2004.

United Nations Force in Cyprus (UNFICYP): *Operation SNOWGOOSE*

UNFICYP has a mandate to monitor compliance with the 1974 cease-fire agreement between Greek and Turkish Cypriots and to maintain stability on the island. Canada's contribution to UNFICYP is one staff officer who works at UNFICYP Headquarters in Nicosia.

For additional information on current operations visit:

http://www.forces.gc.ca/site/operations/current_ops_e.asp



Cost Estimates for CF International Operations

	FY 2003-2004 (\$MILLIONS)		FY 2004-2005 (\$MILLIONS)	
Operations	Full DND Cost*	Incremental DND Cost**	Full DND Cost*	Incremental DND Cost**
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	Closed	Closed
UNSRSG WEST AFRICA - OP SOLITUDE	0.3	0.1	Closed	Closed
OP CARAVAN (Democratic Republic of the Congo)	3.3	3.2	Closed	Closed
Sub-Total	10.5	4.7	5.9	0.9
Arabian Gulf Region and South West Asia				
OP ATHENA (Kabul, Afghanistan)	651.0	430.0	671.0	390.0
OP FOUNDATION (US CENTCOM Tampa)	0.5	0.3	0.8	0.4
OP ALTAIR (South-west Asia)	20.7	7.5	45.8	20.6
UNAMA – OP ACCIUS (Kabul, Afghanistan)	0.2	0.1	0.2	0.1
OP APOLLO (South-west Asia)	495.0	163.0	Closed	Closed
Sub-Total	1,167.4	600.9	717.8	411.1
Central America and the Caribbean				
TF HAITI – OP HALO	19.0	9.0	109.0	50.0
Sub-Total	19.0	9.0	109.0	50.0
Europe				
SFOR – OP PALLADIUM (Bosnia) (NATO)	472.9	180.7	121.6	44.2
OP FUSION (EU Led mission to FYROM)	0.2	0.1	Closed	Closed
Sub-Total	473.1	180.8	121.6	44.2
Middle East				
UNTSO – OP JADE (Middle East)	1.5	0.7	1.5	0.7
UNDOF – OP DANACA (Golan Heights)	29.8	8.2	29.8	8.2
MFO (Multinational Force & Observers) – OP CALUMET (Sinai) non-UN	3.0	0.5	3.0	0.5
UNFICYP – OP SNOWGOOSE (Cyprus)	0.3	0.1	0.3	0.1
Sub-Total	34.6	9.5	34.6	9.5
Total: Operations	1,704.6	804.9	988.9	515.7
	UN Revenue to CRF	UN/MFO Revenue to DND	Est UN revenue to CRF	Est UN/MFO revenue to DND
Revenues/Recoveries***	2.9	1.5	4.2	3.0

Source: Assistant Deputy Minister (Finance and Corporate Services)

NOTES:

* “Full DND Cost” includes: civilian and military salaries; overtime and allowances; petroleum, oil and lubricants; spares; contracted repair and overhaul services; and depreciation and attrition costs of all equipment involved.

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

*** Reimbursement for personnel costs accrue to the Consolidated Revenue Fund (CRF), while reimbursement for Operations and Maintenance costs accrue to DND.



Legislation and Regulations Administered

The Minister of National Defence is responsible to Parliament for the following statutes:

- [Aeronautics Act](#) (on matters relating to defence)
- *Anti-Personnel Mines Convention Act* (with respect to the destruction of mines)
- [Canadian Forces Superannuation Act](#) (CFSA)
- *Canadian Peacekeeping Service Medal Act*
- [Defence Services Pension Continuation Act](#) (DSPCA)
- [Emergencies Act](#)
- [Emergency Preparedness Act](#)
- [Garnishment, Attachment and Pension Diversion Act](#) (with respect to CFSA and DSPCA)
- *Injured Military Members Compensation Act* (Royal assent on 19 June 2003)
- [Garnishment, Attachment and Pension Diversion Act](#)
- [National Defence Act](#)
- [Pension Benefits Division Act](#) (with respect to CFSA and DSPCA)
- [Visiting Forces Act](#)

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

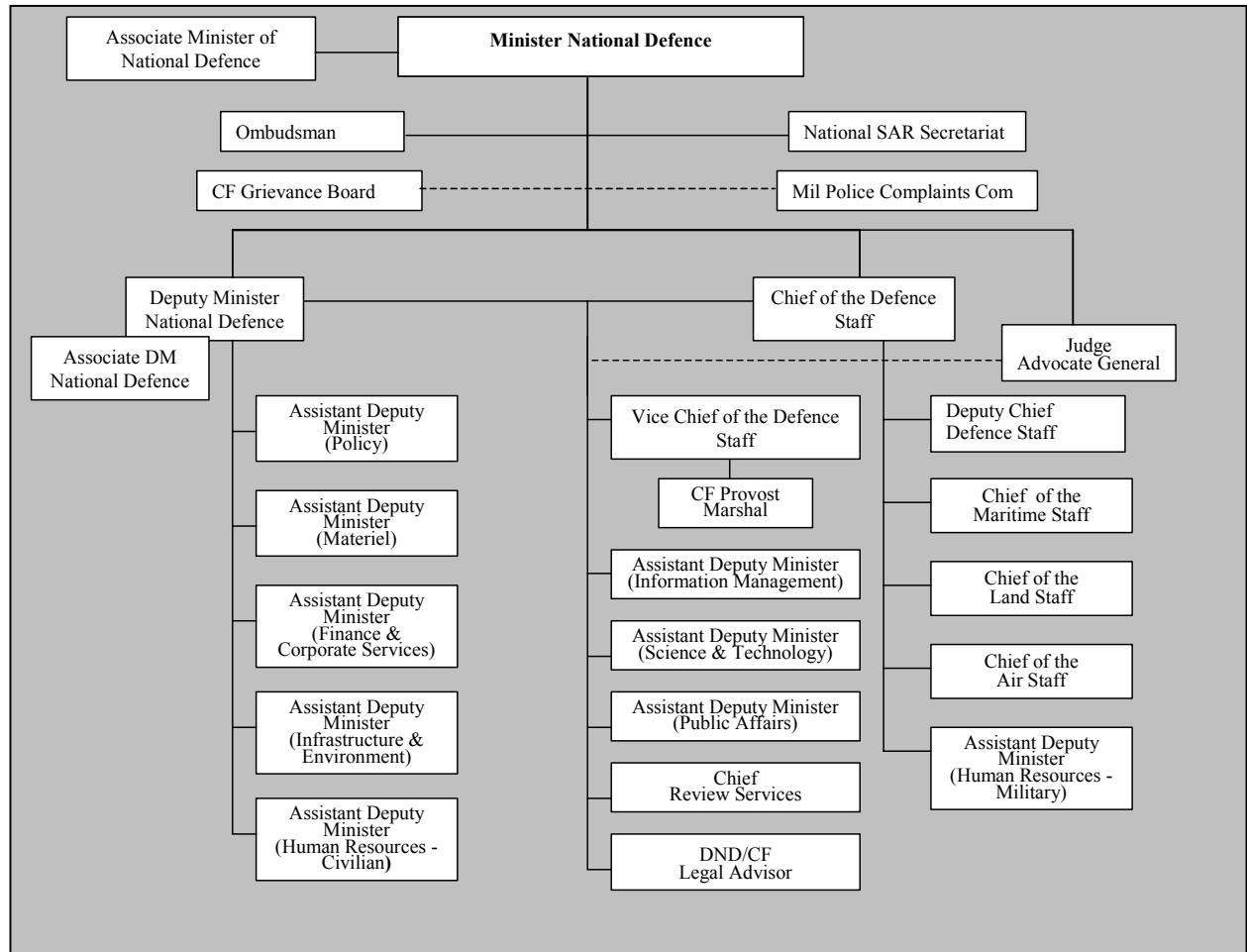
- [Access to Information Act](#)
- [Auditor General Act](#)
- [Canada Elections Act](#) Under the general direction of the Chief Electoral Officer, the Department of National Defence (through the Office of the Judge Advocate General) administers the Special Voting Rules (Part II of the Act) that allow CF members to vote at service polling stations during federal elections.
- *Canada Evidence Act*
- *Canada Labour Code, Part II*
- [Canada Shipping Act](#)
- *Canadian Environmental Assessment Act*
- *Canadian Environmental Protection Act 1999*
- *Canadian Security Intelligence Service Act*
- *Canadian Transportation Accident Investigation Safety Board*
- *Controlled Access Zone Order (Halifax, Esquimalt and Nanoose Harbours)* made by Governor in Council on 12 December 2002
- [Department of Public Works and Government Services Act](#)



- *Employment Equity Act*
- [*Federal Real Property and Federal Immovables Act*](#)
- *Financial Administration Act*
- *Fisheries Act*
- *Geneva Conventions Act*
- [*Garnishment, Attachment and Pension Diversion Act*](#)
- *Patent Act*
- *Pension Act*
- [*Privacy Act*](#)
- *Public Sector Pension Investment Board Act*
- *Public Servant Inventions Act*
- *Public Service Modernization Act* (Royal assent on 7 November 2003)
- *Queen's Regulations and Orders for the Canadian Forces*
- *Governor-in-Council Order* excluding DND and the CF from the [*Nuclear Safety and Control Act*](#) and regulations made pursuant to this Act



Organization Chart





Contacts

Information on Plans and Priorities

Vice-Admiral R.D. Buck

Vice Chief of the Defence Staff
National Defence Headquarters
101 Colonel By Drive
Ottawa, Ontario
K1A 0K2

Telephone: (613) 992-6052

Facsimile: (613) 992-3945

Financial Information

Mr. R.G. Monette

Assistant Deputy Minister Finance and Corporate Services
National Defence Headquarters
101 Colonel By Drive
Ottawa, Ontario
K1A 0K2

Telephone: (613) 992-5669

Facsimile: (613) 992-9693

General Inquiries

Public Inquiries Office

Assistant Deputy Minister Public Affairs

National Defence Headquarters
101 Colonel By Drive
Ottawa, Ontario
K1A 0K2

Telephone: (613) 995-2534

Facsimile: (613) 995-2543

Email: information
@forces.gc.ca

Internet sites

Department of National Defence

www.forces.gc.ca

Office of the Judge Advocate General

www.dnd.ca/jag/main_e.asp

Office of the Ombudsman for National
Defence and the Canadian Forces

www.ombudsman.forces.gc.ca/

National Search and Rescue Secretariat

www.nss.gc.ca/

Defence Research & Development
Canada

www.drdc.dnd.ca

Communications Security Establishment

www.cse.dnd.ca/

Defence Planning and Management

www.vcds.dnd.ca/dgsp/pubs/dp_m/management_e.asp

Defence Plan On-Line

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



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