

Military readiness

A Presentation to the Standing Committee
on National Defence and Veterans
Affairs

5 April 2001



We will look at:

- ① The components of military capability
- ② The defence budget and readiness
- ③ Readiness management in the Canadian Forces
- ④ Readiness management in foreign forces
- ⑤ Readiness deficiencies reported by the OAG



1. The components of military capability



“Five pillars”

- ❖ infrastructure and overhead
- ❖ force structure
- ❖ modernization and investment
- ❖ sustainability
- ❖ readiness

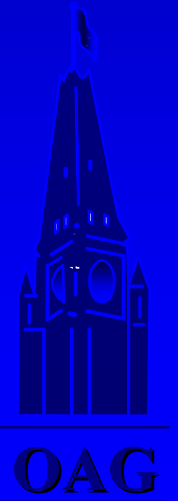


Managing readiness

- ❖ Involves trade-offs among:
 - size and composition of forces
 - rate of modernization
 - current readiness
- ❖ Money wasted if:
 - forces kept too ready and modernization suffers
 - forces not ready enough and cannot be used by government



2. The defence budget and readiness



Budget over-stretch is a problem

- ❖ 1998 report -- Equipping and Modernizing the Canadian Forces
 - DND estimated its needs at \$11 billion in capital funds over five years — but \$6.5 billion likely available
 - O&M costs likely to increase with purchase of more sophisticated equipment
 - personnel costs likely to rise



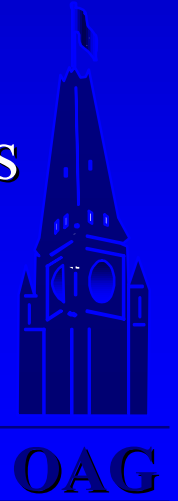
Budget pressure has continued

- ❖ 2000 follow-up
 - force structure cut significantly
 - Department says it is “out of manoeuvring room”
 - estimate still \$1 billion a year short (budget increments address \$600 million of that shortfall)



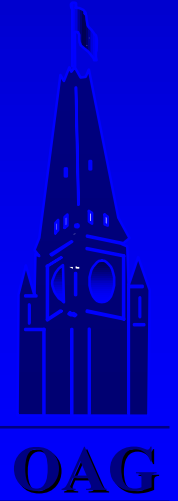
There have been limited efficiency gains

- ❖ 1999 Alternative Service Delivery audit reports:
 - DND saving about \$60 million a year of the \$200 million targeted
- ❖ 2000 follow-up
 - slow progress in two main projects (no savings forecast until about 2004-05)
 - general lack of measurable progress



Conclusions

- ❖ force structure, modernization and current readiness still not balanced
- ❖ “hard choices” still to be made



3. Readiness management in the Canadian Forces



OAG expectations

- ❖ Office expectations are that the CF will have readiness reporting systems in place that:
 - are *comprehensive*
 - report by *military unit*
 - *positive* reporting
 - include *objective measures* for personnel, equipment and training
 - include a subjective *commander's assessment*
 - are *auditable*
 - are *validated* by CF exercises and operational experience



Audit findings

- ❖ 1990s — CF systems were inadequate
 - 1994 audit found
 - ◆ top-level system subjective and not unit-based
 - ◆ individual service systems not in place or only partly in place
 - little improvement since
 - ◆ Operational Status Display only for Vanguard units (7% of the CF)
 - ◆ some needed data don't exist and some data are unreliable
 - ◆ many post-exercise reports not filed or analyzed



4. Readiness management in foreign forces



Foreign systems

- ❖ no one has a system that works perfectly
- ❖ approaches that generally meet OAG design criteria:
 - United States “SORTS”
 - New Zealand
- ❖ may fall short in operation
- ❖ still, both produce valuable information for ministers and legislators



5. Readiness deficiencies reported by the OAG



Current readiness

- ❖ Office does *not* have work presenting current readiness
 - but will report on readiness of equipment in December 2001 and of military personnel in April 2002



Previous findings

- ❖ previous reports have shown significant deficiencies
 - 1992 audit of Reserves indicated significant training and manning deficiencies -- Militia still problematic



Previous findings (cont'd)

- 1996 Peacekeeping audit
 - ◆ individual units deployed though not trained fully or consistently
 - ◆ Army: collective training “crisis”
 - ◆ 1995 brigade exercise
 - was reduced
 - did not achieve its target even given “the most optimistic interpretation of readiness”
- 1998 follow-up
 - ◆ action taken on training deficiencies, but Army not training at brigade level



OAG

Reporting to Parliament

- ❖ most AG reports noted lack of reporting to Parliament on readiness
- ❖ DND's current Performance Report
 - “In many ways the Canadian Forces are more combat-capable today than they were ten years ago.”
- ❖ DND can provide better information, and should

