ESTIMATES

National Defence

2002-2003
Estimates

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

(1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are tabled in the spring and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).

(2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

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National Defence

2002-2003

Report on Plans and Priorities

Canada

Minister's Message

September 11, 2001, is a day that will forever be etched in our minds. The terrorist attacks on the United States have clearly had a profound impact on our neighbours, on the world, and on Canadians. It has demonstrated the potential reach of terrorism, the need to remain vigilant, and the need to work collectively with our allies to defend our interests and values. It has also reinforced the importance of defence and security to our prosperity and collective well-being.

Following the attacks, Canada made a firm commitment as a country to support the international campaign against terrorism. As Minister of National Defence, I am proud to say that we are delivering on this commitment.

In the aftermath of the attacks, Canada provided safe haven to hundreds of aircraft diverted from U.S. destinations. Through the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) we co-ordinated aid and support. The Canadian Forces issued an immediate recall of personnel, and increased the number of aircraft assigned to the North American Aerospace Defense Command (NORAD). And, as a nation, we grieved for the victims of this tragedy.

Since the attacks, Canada has committed approximately 2,500 personnel under Operation *APOLLO* to support the international campaign against terrorism. The Canadian response includes:

- a Canadian naval task group, comprised of several patrol frigates, a replenishment ship, and a destroyer;
- members of Joint Task Force Two (JTF-2);
- a strategic airlift detachment, comprised of CC-150 Polaris long-range transport aircraft, operating out of Germany and the Arabian Gulf;
- a long-range patrol detachment of CP-140 Aurora maritime patrol and surveillance aircraft, operating out of the Arabian Gulf;
- a tactical airlift detachment of CC-130 Hercules transport aircraft, to deliver humanitarian relief to the people of Afghanistan and military supplies to Canadian and coalition forces; and
- a Canadian battle group working with American forces around Kandahar, Afghanistan.

The events in Afghanistan are evolving rapidly, and so is the Canadian commitment, which will continue to evolve as the campaign progresses.

These commitments are a clear indication of our resolve, the professionalism and quality of the Canadian Forces, and our ability as a country to make a significant contribution to international security.

These commitments also demonstrate that the defence modernization strategy pursued by National Defence over the past few years is sound. The Canadian Forces remain a modern, well-trained, multipurpose, combat-capable force. And the Defence portfolio as a whole continues to make strides in its efforts to modernize Canada's national security and defence capabilities.

Over the last several years, we have:

- created the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) to provide national leadership on a comprehensive approach to protecting Canada's critical infrastructure and emergency management;
- modernized Canadian Forces' equipment, which includes acquiring world-class reconnaissance vehicles (the Coyote), new light armoured vehicles (LAV III), Cormorant search-and-rescue helicopters, and Victoria-class submarines, as well as commencing upgrades to Canadian CF-18s *Hornets* and *Aurora* aircraft;
- created the Canadian Forces Joint Experimentation Centre which looks at the "Revolution in military affairs" (RMA) and its impacts on doctrine and operational concepts;
- committed ourselves to protecting the environment and sustainability through the new Sustainable Development Strategy (SDS 2000), a commitment which is shaped by lessons learned, by evolving priorities and by an increased realization that sustainable development is a responsibility that every one of us shares;
- enhanced investment in education, training, and professional development for military members and civilian employees;
- transformed Defence's research establishment into a new agency called Defence R&D Canada (DRDC) to provide national leadership for defence science and technology;
- implemented 80 quality-of-life initiatives to improve pay and conditions of service for the men and women of the Forces and their families; and
- implemented more than 300 institutional reforms to enhance leadership and management of the Forces, increase openness, transparency, and accountability, and modernize the *National Defence Act*.

Through Budgets 1999, 2000, and 2001, the Government of Canada authorized increases in defence spending commencing in fiscal year 2001-02 which, by the end of fiscal year 2006-07, will total more than $5 billion. These investments will help Defence adjust to change, continue its efforts to modernize, and address some of the pressures and challenges it faces.

Significant pressures remain, however, and these will have to be addressed if our defence capabilities are to be sustainable. As I have said for some time, the challenges facing Defence are not just about money. The world we live in has changed significantly over the past decade, a fact dramatically demonstrated by September 11th. Clearly, we cannot stand still. We must continue to adapt to new military, demographic, and technological realities.

We face different potential threats, ranging from global terrorism to potential threats against our critical infrastructure, to the proliferation of conventional weapons, ballistic missile technology, and weapons of mass destruction.

The same technologies that are transforming global commerce—such as telecommunications, computing, and digitization—are also transforming the nature of warfare, from equipment to doctrine to military operations. Significantly, they are also increasing potential threats.

Many regions of the world remain unstable. Traditional peacekeeping is rare. And as Bosnia, Kosovo, East Timor, Ethiopia, Eritrea, and Afghanistan demonstrate, modern peacekeeping often involves peace enforcement and combat. When Canada and the Canadian Forces are called upon to support overseas peace operations, "peace enforcement" is increasingly the norm.

With increased regional instability, we have witnessed a dramatic increase in international demand for Canadian participation in coalition operations. From 1948 to 1989, the Canadian Forces were deployed on 24 missions. Since the end of the Cold War 13 years ago, it has been deployed on more than 70 missions. With our current contributions to the campaign against terrorism, Canada now has about 4,500 Canadian Forces' members overseas. While the men and women of the Forces have demonstrated they can sustain high operational tempos for short periods, there are limits on what can be reasonably sustained over time.

Closer to home, Defence continues to face tough competition for skilled labour, and must do more to nurture diversity. More than ever, human capital is the defining feature of successful organizations, for both the private and public sectors.

Given these new realities, Defence must continue to be innovative and forward-looking. This means focussing on the future and investing in those capabilities most relevant to the emerging security environment—such as interoperability, deployability, intelligence, the protection of Canada's critical infrastructure and people.

While the key principles of the 1994 *Defence White Paper* remain valid, we must focus on meeting the challenges of the future. In the coming months, the Government of Canada will review its defence policy in order to ensure that it provides the right framework for protecting and promoting Canadian interests.

I have set five broad priorities for National Defence for the year ahead. These priorities build on the accomplishments of the Canadian Forces and the Department over the past few years, and take into account the extraordinary impact of the events of September 11th for national defence and national security.

Our priorities for the year ahead are to:

- **respond to the new security environment** through our contributions to the international coalition against terrorism, and our commitment to enhancing national security and Canada's counter-terrorism capabilities;
- **put our people first** by strengthening recruiting and retention, learning and professional development, military health care, human-resource management, and diversity in the workforce;
- **optimize Canada's defence and security capabilities** by updating Canada's defence policy and by advancing key capital projects such as the Maritime Helicopter Project, the upgrade of the CF-18 *Hornets*, the light utility vehicle, etc;
- **maximize management effectiveness** by implementing a new information management strategy, and by promoting modern comptrollership, procurement reform, enhanced risk management, improved internal communications, and integrated defence management and performance measurement; and
- **enhance our defence relationships** by strengthening defence and security arrangements in North America, promoting key international security relationships, expanding strategic partnerships with other levels of government in Canada and the private sector, and continuing to improve communications with Canadians.

As I did in last year's report, I again ask Parliamentarians and all Canadians to give the men and women of National Defence—military and civilian alike—your visible support as we move forward in the year ahead to achieve these priorities. They have earned it, and will continue to do so.

Art Eggleton
Minister of National Defence

Management Representation Statement

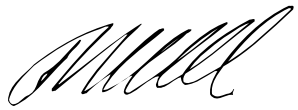
I submit, for tabling in Parliament, the 2002-2003 Report on Plans and Priorities for the Department of National Defence.

To the best of my knowledge, the information contained herein:

- accurately portrays the organization's plans and priorities;
- is consistent with the reporting principles contained in the *Guide to the preparation of the 2002-2003 Report on Plans and Priorities*;
- is comprehensive and accurate; and
- is based on sound underlying departmental information and management systems.

I am satisfied as to the quality-assurance processes and procedures used for the Report's production.

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



Jim Judd
Deputy Minister

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Section I: Introduction

This Report on Plans and Priorities is National Defence's keystone planning and priority-setting document for fiscal year 2002-2003. The primary objectives of the Report are to:

- provide Parliamentarians and Canadians with an understanding of how defence investments benefit Canadians;
- outline Defence's priorities, and how Defence plans to work to improve the quality and/or effectiveness of the services it provides to Canadians;
- explain the rationale and risks for the choices made in setting priorities;
- document total planned spending; and
- provide a basis for assessing future performance.

This year's report is divided into seven sections. Section II provides a broad overview of the Defence portfolio and its mission, mandate, and constituent organizations and agencies. Section III outlines the current issues and challenges facing National Defence and the Canadian Forces, and articulates Defence's priorities and plans on how to address them. The conclusion and National Defence's corporate priorities are summarized in Section IV. In Section V, details are provided on some defence portfolio organizations. The financial information is outlined in Section VI. Finally, background information is given in Section VII.

Section II: The Defence Portfolio

Defence of the nation is a core function of government and one of the few areas of sole federal jurisdiction. While the portfolio maintains extensive relationships with the provinces, territories, and Aboriginal groups, only the federal government has constitutional authority for defence and the protection of Canadian sovereignty.

The Defence portfolio includes a number of separate but related organizations and agencies, including the:

- Canadian Forces (Regular and Reserve Forces);
- Canadian Forces Housing Agency (CFHA);
- Canadian Forces Personnel Support Agency (CFPSA);
- Canadian Cadet Movement and Junior Canadian Rangers;
- Communications Security Establishment (CSE);
- Defence R&D Canada (DRDC);
- Department of National Defence (DND);
- Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP);
- National Search and Rescue Secretariat; and
- Office of the Chief Military Judge.

In addition, the following organizations report directly to the Minister of National Defence:

- DND/CF Ombudsman; and
- Judge Advocate General (JAG).

The Canadian Forces also have their own:

- police service (Military Police and the National Investigation Service);
- military justice system, which is administered under the superintendence of the JAG;
- university (the Royal Military College of Canada) and other learning and professional-development institutions (e.g., Canadian Forces College in Toronto);
- health-care facilities including medical and dental services (Canadian Forces members are excluded from the 1984 *Canada Health Act*);
- firefighting services at many Defence facilities;
- network of chaplains serving CF members and their families (headed by the Chaplain General); and
- extensive communications networks in Canada and abroad.

Taken as a whole, Defence maintains a presence in every province and territory. Canada's Reserve Forces have 214 units across the country, not counting Ranger patrols located primarily in our northern territories and regions. Defence employs more than 100,000 people. In addition, the Canadian Forces are part of our national identity and heritage, and form one of Canada's most visible national institutions.

Defence Services

Defence's core business is security. Its mission is to defend Canada and Canadian interests and values, while contributing to international peace and security.

In delivering this mission, Defence provides Canadians with a broad range of services at home and abroad. It contributes to the safety, security, and well-being of Canadians, continental security, and international peace operations. It also maintains the ability to go to war if needed to defend Canada's national interests.

Domestically, Defence's key services include:

- surveillance and control of Canadian approaches and territory;
- support to other government departments and agencies such as the Royal Canadian Mounted Police (RCMP), Fisheries and Oceans Canada, Environment Canada, and Citizenship and Immigration Canada;
- national search and rescue;
- assistance to civil authorities, which includes disaster and humanitarian relief and assistance during emergencies such as the 1996 Saguenay floods, the 1997 Red River floods, the 1998 ice storm, the aftermath of the Swiss Air Flight 111 crash, the Pine Lake tornado in 2000, and Y2K;
- aid of the civil power;
- the ability to support the federal response to counter-terrorist and asymmetric threats, including maintenance of special counter-terrorist forces (Joint Task Force Two) and a nuclear, chemical, and biological defence response team;
- critical infrastructure protection and emergency preparedness;
- support for major international events in Canada, such as the G-8 summit; and
- the ability to maintain and operate aircraft for in- and out-of-country transportation of VIPs.

Defence also makes important contributions to broader national priorities. It supports youth training through the Canadian Cadet program and education at the Royal Military College, and research and development through Defence R&D Canada (DRDC). It contributes to Canadian heritage through military museums located across the country, ceremonial units such as the Governor General's Foot Guards, and ceremonial events such as the repatriation

of Canada's Unknown Soldier and the opening of a National Military Cemetery. It creates opportunities for Aboriginal people through programs like the Canadian Rangers and Junior Canadians Rangers programs. It sponsors strategic partnerships with the private sector and Canadian universities through programs such as the Security and Defence Forum. And it contributes to our national identity.

In addition, Defence has made significant progress in supporting the environment and sustainable development. In 1997, our first Sustainable Development Strategy established the blueprint for a proactive approach for the protection of the environment and stewardship of the assets with which we have been entrusted. This pledge continues with our new Sustainable Development Strategy (SDS 2000), a commitment that has been shaped by lessons learned, by evolving priorities and by an increased realization that sustainable development is a responsibility that every one of us shares. SDS 2000 is the demonstration that we in the Department of National Defence and the Canadian Forces will continue to do our share on behalf of the Government and people of Canada.

Internationally, Defence, and in particular the Canadian Forces, is a key instrument through which Canada protects and promotes its interests and values on the world stage. The Canadian Forces are critical to delivering on Canada's international commitments to the United States, the North Atlantic Treaty Organization (NATO), and the United Nations (UN), and play an important role in the Government's efforts to advance a more stable and secure world.

In total, Canada has more than 80 treaty-level defence agreements and 250 memoranda of understanding with the United States. We are partners in North American Aerospace Defense Command (NORAD). We operate more than 50 radar sites as part of North America's North Warning System. Canada and the United States share intelligence and information on an ongoing basis, and regularly conduct combined training exercises. Canadian government and industry representatives conduct more than 20,000 defence-related visits each year to the United States.

Canada has also made a clear commitment to support multilateral operations through the UN and NATO, and as part of coalitions of like-minded countries. In addition to Operation *APOLLO*, Canada had personnel deployed on 12 other overseas missions in the Balkans, the Middle East, and Africa, as of the end of February, 2002.

In the Balkans, Operation *PALLADIUM* in Bosnia-Herzegovina is the second-largest mission involving approximately 1,600 people. Canadian Forces members are mainly involved in the NATO Stabilization Force (SFOR) to keep the peace and ensure a secure environment for people of Bosnia-Herzegovina. The Canadian Forces have more than 200 members deployed in the Middle East serving as observers and providing logistics, communications, and technical support to missions, mainly in the Golan Heights and the Sinai. In Africa, around 20 people are involved in UN-led operations in Sierra Leone, the Democratic Republic of the Congo, Ethiopia, and Eritrea. The Canadian Forces are

also contributing about 10 people to the British-led team in Sierra Leone by providing advice and training as the country rebuilds a non-partisan military.

Canadians clearly value the services provided by Defence and the Canadian Forces, and continue to support a multipurpose, combat-capable military. As Defence's annual baseline survey of fall 2001 shows:

- 95% of Canadians support Canada's continued participation in NATO;
- 93% believe Canada should help the United States defend North America;
- 93% support the use of the Forces to combat terrorism;
- 93% agree it is important to defend Canadian sovereignty;
- 91% support the use of the Forces to prevent the spread of weapons of mass destruction;
- 91% believe it is important for the Forces to provide search-and-rescue services;
- 88% believe it is important to maintain the ability to fight terrorism in Canada;
- 85% believe it is important to maintain the ability to participate in international peacekeeping operations;
- 83% believe it is important to maintain the ability to fight a war alongside our NATO allies to maintain international peace and security; and
- 83% believe it is important for the Forces to be able to support UN humanitarian-relief efforts.

Defence Management

National Defence meets its domestic, continental, and international commitments to Canadians by organizing defence services into what are called “capability programs.” These capability programs essentially represent Defence’s internal business lines, and follow from analysis of the types of tasks and missions the Canadian Forces might potentially undertake, and the capabilities required to successfully performing them.

Defence’s five capability programs are:

- **Command and control**—defined as the ability to collect, analyze, and communicate information, plan and co-ordinate operations, and provide the capabilities necessary to direct forces to achieve assigned missions;
- **Conduct operations**—defined as the ability to employ the range of military capabilities required to achieve assigned missions, when and where directed;
- **Sustain forces**—defined as the ability to repair and maintain equipment, shelter and sustain personnel, and produce the infrastructure and capabilities necessary to support military operations;
- **Generate forces**—defined as the ability to recruit and train personnel, research, test and procure equipment, and design the force structure to produce multi-purpose combat-capable military forces; and
- **Corporate policy and strategy**—defined as the ability to produce and implement corporate policies and strategies to achieve broad Government objectives, manage Departmental activities, and provide defence and security advice.

All aspects of the defence program are linked to these capability programs, which in turn are being linked to results and outcomes as Defence continues to modernize its management practices as part of its efforts to maximize the value for money it provides to Canadians for their defence investments.

Section III: Plans and Priorities

The past decade has been both turbulent and demanding for Defence and the Canadian Forces.

Since the end of the Cold War, Defence has witnessed significant downsizing, increased demand for Canadian Forces participation in international operations, massive institutional reform, numerous modernization initiatives, rapid technological change, increased competition for skilled labour, and the growth of asymmetric threats—including terrorism, computer hackers and threats to Canada's critical infrastructure.

At the same time, some aspects of Defence's strategic environment have not changed. While the chance of a major global war remains remote, many regions of the world remain unstable and unpredictable. And the past decade has confirmed that Canada continues to be well-served by a multipurpose, combat-capable force able to defend Canada, contribute to the defence of North America in co-operation with the United States, and contribute to international peace and security. These roles and the need for multipurpose, combat-capable forces form the core tenets of Canada's current defence policy.

As the September 11th attacks on the United States and the international response to it have vividly demonstrated, however, there are new security challenges and new military realities to which Canada must respond. The primary threat to our interests and values has changed, and the nature of warfare is changing, with new technologies reshaping how militaries conduct operations. Perhaps most significantly, it demonstrated that we are potentially vulnerable to attacks from terrorism.

Well before the terrorist attacks of September 11th, Defence had started to make the adjustments to defence priorities and capabilities needed to adapt to these new realities.

Defence has also made deliberate efforts to modernize equipment in key areas. In the mid-1990s, for example, the Canadian Forces acquired precision-guided bombs for Canada's CF-18 fleet. This decision enabled Canada's Air Force to play a key role in the Kosovo air campaign in 1999, in co-operation with U.S., U.K., and other air forces.

Canada's Navy, in turn, has pursued a deliberate strategy to enhance its ability to inter-operate with other NATO navies, including the U.S. Navy. Using Canada's modern frigates as a platform, the Canadian Navy has trained extensively with its U.S. counterpart. This strategy has proven effective. The Canadian Navy regularly operates as an intregral part of a U.S. naval battle group.

Significant progress has also been made to prepare Canada's Army for the future, with the Army moving forward in its efforts to enhance the operational mobility of Canada's land forces. Key recent acquisitions include the state-of-the art Coyote reconnaissance vehicle and a new armoured personnel carrier (a light armoured vehicle known as the LAV III). The Coyotes form a key component of Canada's contribution to current operations in Afghanistan.

At the same time, Defence has moved forward to:

- set a course for restructuring and modernizing the land force reserves;
- address wide ranging quality-of-life improvements;
- strengthen leadership training and professional development by establishing a Canadian Forces Leadership Institute and by introducing the Enhanced Leadership Model for officer training (to be followed soon by a Defence Academy), and by making a clear commitment to learning and education;
- develop and transform its Joint Force Headquarters in Kingston into a deployable C(I) organization[1];
- reduce the operational pressure on the Canadian Forces by selectively contracting out certain support functions to private-sector suppliers, as has been done with in-theatre support to CF personnel in Bosnia; and
- strengthen its information-operations capabilities to defend its computer networks against attacks, including attacks by vandals and hackers.

In February 2001, the Prime Minister created the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) to enhance the federal government's ability to deal with emerging threats to the national critical infrastructure, and to co-ordinate emergency response in Canada. OCIPEP's mandate is to:

- provide national leadership in developing a new, modern, and comprehensive approach to protecting Canada's critical infrastructure, which includes the key physical and cyber components of Canada's energy and utilities, communications, services, transportation, safety, and government sectors; and
- serve as the federal government's primary focal point to ensure national emergency preparedness—for all types of emergencies, man-made or natural.

In short, Defence, with the support of the Government of Canada, has pursued a clear strategy over the past few years to modernize Canada's security and defence establishment based on the defence capabilities Canada needs for the future. This strategy has been validated to a large extent by the events of September 11th—from Defence's broad ability to support federal efforts to respond to the immediate aftermath of the attacks, to the Canadian Forces' ability to make a meaningful contribution to the international campaign against terrorism.

That said, there is no question that Defence and the Canadian Forces continue to face significant issues and challenges as they adapt to change and work to ensure the Department and the Forces meet their commitments today, while preparing for tomorrow. The following pages provide a review of these challenges, as well as Defence's plans and priorities for addressing them.

1. C(I) stands for command, control, communications, computers, and intelligence.

Responding to the New Security Environment

Responding to the post September 11th security environment presents the Defence portfolio and the Government of Canada with several issues. They include: how best to strengthen Canada's counter-terrorism capabilities; the need to strengthen partnerships with other federal government departments and enhance the federal government's ability to protect Canada's critical infrastructure and emergency-response capabilities; and how to manage the tempo of operations set for the Canadian Forces in light of military commitments to the campaign against terrorism.

To help address these issues, the federal government increased defence spending by $1.2 billion in Budget 2001 to:

- offset the operational costs of Canada's military contribution to the international campaign against terrorism;
- enhance the core capabilities of the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP);
- build on the core capabilities of the Communications Security Establishment (CSE) for signal intelligence and computer network defence;
- increase the capacity of Joint Task Force Two (JTF-2) to respond to terrorism incidents at home and abroad;
- augment the capability of the Canadian Forces to prevent and respond to chemical, biological, radiological, and nuclear defence; and
- fund purchases of equipment.

Within this context, Defence's priorities in responding to the new security environment for fiscal year 2002-03 are to:

- contribute to the international campaign against terrorism through the current deployment of Canadian Forces personnel and equipment and to increase intelligence activities in this area;
- enhance its counter-terrorism, intelligence, research and development, and emergency-response capabilities in line with the direction set out in Budget 2001; and
- provide national leadership on critical infrastructure protection and effective emergency management.

Putting People First

It is well-known that the demographic profile of the Canadian labour market has shifted dramatically over the past decade, as the "baby boom" generation matures and begins to retire, and the "Nexus" generation enters the labour force. In other words, we are entering the tightest labour market since the 1950s. As a result, the pool of available new recruits is shrinking, competition for good people is growing, and the overall profile of the existing workforce is aging.

The challenges posed by these trends are particularly acute for Defence and the Canadian Forces. Both the military and civilian components of the portfolio rely heavily on a skilled, trained workforce. Furthermore, because of both downsizing and low recruiting in the 1990s, the shift in the age profile of both the Canadian Forces and the Department is more pronounced than the profile of the Canadian labour market as a whole.

While Defence has taken action to strengthen its recruiting program, these trends are producing growing pressures on the Forces' ability to meet training requirements. In brief, high recruiting rates are creating downstream pressures on the Canadian Forces training system, which must train the larger number of recruits coming in. The Canadian Forces also continue to face significant recruiting challenges in particular occupations—such as medical professionals, certain technicians, combat engineers, communications personnel, sea operations, and intelligence personnel. Similar pressures are also emerging in the civilian workforce, which is facing recruiting and retention pressures in areas such as personnel management, project management, and the information-management and information-technology trades.

At the same time, the expectations of the workforce are changing, particularly among younger employees and members. Most young Canadians entering the labour market today have never owned a record player, never seen a typewriter, and have grown up with remotes, cable, and computers. This generation—the Nexus generation—tends to be very independent, has high expectations in terms of professional development, and wants the organizations it works for to ensure a meaningful balance between work and home life.

Against this backdrop, Defence must clearly do more to demonstrate that it is making the changes needed to position the Department, the Canadian Forces, and the entire defence portfolio as an employer of choice. This includes seeing through efforts to strengthen leadership and professional development, reform the military health-care system, and improve human-resource management.

Defence must also do more to increase diversity. As a national institution, it is vital for Defence and the Canadian Forces to reflect the population it serves. The face of Canada is changing. The country is becoming more diverse, with more women, Aboriginal people, and people from visible-minority groups entering the workforce. However, more

can and should be done to reach out to these communities, overcome cultural and attitudinal barriers to diversity both within and outside the institution, and embrace and nurture diversity throughout the Defence portfolio.

To this end, Defence will continue to put people first in fiscal year 2002-03. Its human-resource priorities are to:

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

Optimizing Defence and Security Capabilities

While the core tenets of Canada's current defence policy remain sound guiding principles for the future, there have been major shifts in the military's operating environment over the past decade. The post-Cold War period, for example, has seen an increase in conflicts, ethnic violence, and the proliferation of modern conventional weapons, all of which has increased the demand for, complexity of, and dangers of modern operations.

Indeed, in many ways, it is inappropriate to use the term "peacekeeping" today in the same way that we did 20 or 30 years ago. Traditional peacekeeping involved using multinational forces to help combatants in a conflict respect a cease-fire, and has become relatively rare today. Modern peace-support operations, in contrast, often require Canadian Forces members to serve in virtual conflict zones, where they face well-armed adversaries, non-existent cease-fires, and unpredictable operational environments. As Somalia, Bosnia, Kosovo, Sierra Leone, and Afghanistan all demonstrate, modern operations frequently involve peace enforcement and combat, which requires well-armed forces equipped with modern weapons, robust mandates, and rules of engagement.

The scope of modern peace-support operations has also expanded to include humanitarian aid and peacebuilding. Many military interventions today involve failed or failing states, characterized by ethnic violence, humanitarian crises, and a general breakdown of civil society. When Canadian Forces members deploy on these missions, they find themselves operating at the centre of a large network of players—working with military allies, other government departments and agencies, international organizations, civil authorities, and non-governmental organizations to co-ordinate peace-enforcement activities, the delivery and distribution of humanitarian aid, and the re-establishment of law and order.

Another key impact of these developments is that the operational tempo experienced by the Canadian Forces has increased dramatically over the past decade. From 1948 to 1989, the Canadian Forces were deployed on 24 missions. Since 1990, they have been deployed on 70. The Canadian Forces have currently about 4,500 members deployed overseas. While current contributions are well-balanced across the Army, Navy, and Air Force, the tempo remains high and the Forces continue to be stretched. It is important to remember that, to sustain land-force peace operations, four Canadian Forces members must be available for every member deployed.[2] This is known as the sustainment ratio, and is required to ensure Forces members have the time required to train for missions, serve abroad, and receive leave and professional development when they return home.

The Canadian Forces also face significant challenges in their ability to respond rapidly to international crises. When required, Defence charters additional strategic lift from other military forces or from the private sector. Defence is now reviewing its strategic airlift and sealift capabilities and requirements as well as its readiness levels for all forces.

At the same time, the way militaries conduct operations is undergoing profound change as a result of technological developments and what is known as the "revolution in military affairs" (RMA). With technological enhancements in telecommunications, imagery, targeting, computing, and weaponry, modern militaries today are able to identify, target, and apply force with much greater precision and directed firepower than in the past.

These technological developments, in turn, are leading to changes in military doctrine and the way modern militaries organize and train their forces. They are also presenting new challenges with respect to interoperability,[3] which is particularly important for Canada. To make a meaningful contribution to future military operations, the Canadian Forces need to ensure it remain interoperable with key allies.

Public expectations are also changing. According to Defence's latest annual baseline survey:

- 74% of Canadians believe the world is less safe today than a decade ago, up 14% since 1998;
- 80% believe Canada needs the Canadian Forces "a great deal," up 14%; and
- 93% believe that the Forces will be asked to do more over the next decade, up 10%.

Clearly, Canadians believe they need the Forces, and expect the Canadian Forces to be able to respond to calls for humanitarian aid or military assistance at home and abroad.

Collectively, these developments are having a significant impact on *what* the Canadian Forces are being asked to do, *how* they execute their missions, and the *speed* at which they are expected to deliver.

2. The sustainment ratio for the Navy and Air Force is 3:1.

3. Interoperability refers to the ability of different military organizations to operate seamlessly with one another based on compatible communications, doctrine, training, and organizational processes.

Efforts to meet the challenges outlined have clearly stretched the current capabilities of the Canadian Forces and created significant pressure on the institution and its personnel.

In response, the Government has increased defence spending in three consecutive federal budgets. These spending increases have been used to:

- improve pay and quality of life for Canadian Forces members and their families;
- support Canadian Forces operations and the increased operational tempo;
- support capital investment;
- strengthen Defence's counter-terrorism capabilities (as per Budget 2001); and
- enhance Defence's overall financial flexibility.

With the funding increases in Budgets 1999, 2000, and 2001, the Government has demonstrated its commitment to support Defence and to invest in the capabilities that the Canadian Forces need for the future. The Government has increased defence spending commencing in fiscal year 2001-02 which by the end of fiscal year 2006-07 will total more than $5 billion.

Even with these funding increases, however, it is clear that Defence cannot and perhaps should not sustain the current mix of Canadian Forces capabilities and levels of activity over the long term.

Within this broader context, the issue is not just about money—it's about choices.

In short, Defence and the Canadian Forces are facing some long-term issues involving the force structure and capabilities of the Canadian Forces—issues that require long-term structural solutions. While the tenets of Canada's existing defence policy provide sound principles for the future, the status quo is clearly not sustainable. In brief, Defence needs to optimize the Defence program based on new military realities and invest in the right mix of people, equipment, and training to ensure the Canadian Forces are able to meet their commitments, today and tomorrow.

To optimize Canada's security and defence capabilities, Defence will move forward in fiscal year 2002-03 to:

- conduct and conclude an update of Canadian defence capacity, resulting in a forward-looking and sustainable defence policy and establishment; and
- continue to advance key capital projects.

Maximizing Management Effectiveness

Some of the same forces driving the revolution in military affairs and Defence's human-resource and recruiting challenges are also driving major changes in attitudes, expectations of government, and management practices.

Telecommunications, the Internet and intranet, increased computing power and speed, digitization, data warehousing, electronic commerce, and other new information-management processes, techniques, and capabilities are all revolutionizing the way businesses and large organizations are being managed. These technologies are also creating new opportunities to enhance the operational effectiveness and command and control of the Canadian Forces, to strengthen intelligence, and to improve service delivery.

Just as significantly, Canadians are demanding more from government. Canadians are better educated and better informed, and stakeholders want to be engaged in public policy. Nevertheless, 69% of Canadians believe that the Canadian Forces leadership is doing a good job (up 8% over 2001), and 57% believe that the Department is changing for the better (up 5%).

Collectively, these trends are reinforcing the need to continue efforts to strengthen management practices within the Department and the Forces. Clearly, more needs to be done to demonstrate to employees, Forces members, and Canadians that Defence is committed to being an employer of choice and a sound steward of the fiscal resources that Parliament provides.

To maximize management effectiveness, Defence will move forward in fiscal year 2002-03 to:

- promote its modern-management agenda, which includes implementing its financial information strategy, modern comptrollership, procurement reform, risk management, migration toward an integrated defence-management framework, and performance measurement[4];
- implement a new information-management strategy and governance structure; and
- improve internal communications.

4. Defence's modern-management agenda includes putting in place the management practices required to support continuous improvement in the delivery of Defence programs and services. As part of these efforts, Defence's Alternative Service Delivery policy will be rewritten to align with the new Treasury Board policy regarding continuous improvement and innovation in the delivery of programs and services. DND will continue two major initiatives to enhance the effective and efficient delivery of support activities—the Supply Chain Project and the Base Service Index Initiative.

Enhancing Defence Relationships

The past decade has also seen significant and cumulative changes in Canada's geopolitical landscape: the end of the Cold War and post-Cold War expansion of NATO; the proliferation of weapons of mass destruction and ballistic missile technology; the rise of asymmetric threats, including global terrorism; and growing U.S. concerns regarding its homeland security and emerging threats to American citizens and assets.

Indeed, before the events of September 11th and in response to many incidents over the past decade, the United States had already launched several initiatives to address these concerns, including a review of U.S. defence priorities and plans under the new U.S. administration, and proof-of-concept testing for the possible development and deployment of a ballistic missile defence system.

Not surprisingly, the events of September 11th have accelerated U.S. action and expanded the potential implications of these developments for Canada. Since September 11th, the United States has:

- published its quadrennial defence review and indicated that, in the latest Budget Plan, it intends to significantly increase defence spending and initiate a significant modernization of U.S. forces;
- signaled that it intends to proceed with developing a ballistic missile defence system and renegotiating strategic arms-control arrangements with Russia;
- created a new Homeland Security cabinet position in the U.S. government;
- begun to develop a new Unified Command Plan for U.S. forces to support homeland security; and
- clearly stated that the campaign against terrorism has only just begun.

All of these developments have significant implications for the future of Canada-U.S. defence relations. Canada and the United States share one of the most extensive defence relationships in the world. As the United States continues to modernize its forces, it will increase the challenge for the Canadian Forces to remain interoperable.[5] Furthermore, while Canada has not yet been asked to participate in ballistic missile defence, and while it is not clear if or how the new Unified Command Plan will affect continental security, both developments could affect the future of NORAD. In short, Defence and Parliament will need to be fully engaged on Canada-U.S. defence issues in the year ahead.

5. Canada joined the System Development and Demonstration Phase of the U.S.-led international Joint Strike Fighter Program (JSF). Participation in the Program will allow us to obtain important information to support our national security requirements. The Canadian partnership in the JSF Program will enhance Canada-U.S. relations and enhance co-operation between the two countries.

At the same time, the European Union (EU) has continued to move forward in its efforts to strengthen European integration. Last year, the EU announced a new European Security Defence Policy and, this year, it launched a new common currency. While Canada clearly supports a strong Europe, it is also in Canada's interests to continue to work with its allies in Europe to promote a strong NATO.

Closer to home, Defence also needs to continue to strengthen external communications and its partnerships with the private sector and other levels of government in Canada. Canadians want their governments to work together to address public policy challenges. Defence is well-positioned to build public awareness and understanding of defence issues, and to make a difference in support of national priorities as a national institution with a national presence.

As part of its mandate, OCIPEP must also reach out to the provinces, municipalities, and the private sector to support a national, co-ordinated approach to critical infrastructure protection and emergency preparedness. DRDC also has a key role to play in nurturing defence research and development with the private sector, research labs, and universities. In addition, more can be done to nurture and engage Canada's Security and Defence Forum.

To enhance its relationships, Defence will move forward in fiscal year 2002-03 to:

- strengthen defence and security arrangements in North America;
- promote other key international defence and security relationships;
- expand strategic partnerships with other levels of government and the private sector; and
- continue to improve external communications.

Section IV: Conclusion

Over the past few years, Defence has pursued a deliberate strategy to position Canada's defence and security establishment for the future, focussing on ways to reinvest in its people, and to modernize, revitalize, and enhance the operational effectiveness of the Canadian Forces.

With three consecutive budget increases and the dedicated work of the military and civilian members of the Department, Defence has clearly made significant progress in achieving these goals. Defence has emphasized selective investments in:

- recruiting and retention;
- training, leadership, and professional development;
- interoperability, command and control, and intelligence;
- equipment modernization—through procurement and upgrades—in areas considered most relevant to modern military demands and challenges;
- domestic security, emergency preparedness, protection of critical infrastructure, and nuclear, biological, and chemical defence; and
- counter-terrorism.

This does not mean, however, that Defence does not face significant challenges. Sustaining the pace of operations, renewal, and reform set in the late 1990s has taken a toll. It has stretched the Canadian Forces, the Department, and the men and women on whom Canadians rely to ensure their safety, security, and defence.

Defence must continue to make the adjustments required to ensure the long-term sustainability of the Defence program. In positioning the Canadian Forces for the future, Defence will be innovative and forward-thinking. It will update Canada's defence policy to ensure the policy meets Canada's national interests, and it will ensure a sustainable match between commitments, capabilities, and resources.

The bottom line is that Defence must continue to modernize its portfolio and make the changes needed to ensure the Canadian Forces have the right mix of personnel, equipment, training, and doctrine to meet their commitments today, tomorrow, and well into the future.

Summary of National Defence's Corporate Priorities for Fiscal Year 2002-03:

Respond to the new security environment by:

- contributing to the international campaign against terrorism;
- enhancing counter-terrorism, intelligence, research and development, and emergency-response capabilities; and
- providing national leadership on critical infrastructure protection and effective emergency management.

Put people first by:

- strengthening its capacity to recruit and retain people;
- furthering the development of learning and professional-development programs;
- seeing through reforms to military health care;
- improving human-resource management; and
- increasing diversity and promoting inclusiveness in the workforce.

Optimize Canada's security and defence capabilities by:

- conducting and concluding an update of Canadian defence policy resulting in a forward-looking and sustainable defence policy and establishment; and
- advancing key capital projects.

Maximize management effectiveness by:

- promoting its modern-management agenda, which includes implementing its financial information strategy, modern comptrollership, procurement reform, risk management, migration toward an integrated defence management framework, and performance measurement;
- implementing a new information-management strategy and governance structure; and
- improving internal communications.

Enhance relationships by:

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

Section V: Selected Defence Portfolio Organizations

Office of Critical Infrastructure Protection and Emergency Preparedness Canada (OCIPEP)

A. Introduction

OCIPEP was created and became operational in February 2001, with the mandate to provide national leadership for critical infrastructure protection and effective emergency-management for all types of emergencies. The organization is headed by an Assistant Deputy Minister who reports to the Associate Deputy Minister of National Defence.

In August 2001, the Government approved a *National Framework on Critical Infrastructure Protection and Effective Emergency Management*. This framework has five pillars:

- putting the Government of Canada's infrastructure and emergency management house in order;
- enhancing/establishing sustainable federal and national partnerships;
- enhancing the national operational capability;
- implementing effective, targeted programs (in areas such as awareness, training and education, and research and development); and
- strengthening the policy framework.

Within this framework, OCIPEP is striving to establish an effective national emergency management system, enhance the protection and survivability of critical infrastructure (which includes the key physical and cyber components of the energy, transportation, communications, services, safety, and government sectors), and reduce the loss of life and property resulting from major disasters, accidents, or intentional acts.

Its *mission* is to enhance the safety and security of Canadians in their physical and cyber environment. Its *vision* is a safer, more secure Canada.

OCIPEP will also contribute to advancing the Defence mission of defending Canada and Canadian interests and values, while contributing to international peace and security.

B. Planning Context

Priorities over the planning period have been driven by the lessons learned from the events of September 11, 2001. These events demonstrated the need to:

- be more vigilant about new and emerging threats;
- continue to use an "all hazards" approach to prepare for a full range of events that could have an impact on people, property, and the physical and cyber-critical infrastructure;
- ensure that plans are flexible enough to deal with the most unpredictable/unthinkable scenarios;
- ensure that first responders have the tools and training they need to deal with mass-destruction/mass-casualty disasters, and that scientists, intelligence experts, and other specialists are available to provide support and advice as required; and
- ensure that appropriate public awareness and communications programs are in place to meet the needs of stakeholders in normal situations and during emergencies and crises.

In the evolving security environment, it has become clear that the threat, risk, and vulnerability factors have expanded considerably in scope, as have their potential impact on both aspects of OCIPEP's mandate. OCIPEP will be required to devote significant attention to its threat-analysis capability, in co-operation with the Royal Canadian Mounted Police (RCMP) and the Canadian Security Intelligence Service (CSIS), as well as other organizations within the Defence portfolio. It will need to enhance its emergency-consequence management and cyber-incident response capability, in close co-operation with its principal federal, provincial, and private-sector partners. Mechanisms must be put in place for timely access to intelligence and information related to potential threats.

Today's infrastructure networks and systems are so highly interconnected and interdependent across sectors and nations that OCIPEP must focus on effective partnerships at all levels. Private, public, domestic, and international partnerships must be developed and supported to enable Canada's critical infrastructure to be effectively protected and sustained. More emphasis needs to be placed on broad federal-provincial-territorial and Canada-U.S. relationships. All jurisdictions have a heightened interest in security and recognize the need for closer co-operation to protect their shared North American critical infrastructure, as well as to manage emergency situations that transcend borders. An effective public awareness and communications capacity, supported by Web-based technology and information-sharing mechanisms, is required to ensure that accurate information is available on a timely basis to meet the needs of all stakeholders and sustain the co-operation of all partners.

Budget 2001 provided OCIPEP with significant new resources to meet its critical infrastructure-protection/emergency-management challenges, and to contribute to the government's multidepartmental response to the CBRN threat.

C. Key Priorities

Considering the mandate of the new organization, the threat and risk environment, and available resources, the key priorities for OCIPEP in the next couple of years are to:

- enhance the overall effectiveness of the National Framework on Critical Infrastructure Protection and Emergency Management;
- enhance national emergency-management and critical infrastructure-protection operational capacity;
- establish effective national and international partnerships and communications programs;
- establish a credible National Critical Infrastructure Protection Program; and
- strengthen OCIPEP's internal corporate capacity to support and deliver on its mandate.

Program Estimates ($000) for the Office of Critical Infrastructure Protection and Emergency Preparedness

	Forecast 2001-02	Planned 2002-03	Planned 2003-04	Planned 2004-05
Salary	11,010	11,148	11,157	11,157
Operating	19,345	10,022	10,073	10,137
Capital	2,635	447	454	460
Grants & Contributions	260,771	209,835	9,897[1]	9,959[1]
Total	**293,761**	**231,452**	**31,581**	**31,713**

1. Excludes contributions for Disaster Financial Assistance Arrangements as these payments are forecast only one year in advance in the Estimates.

For more information on OCIPEP, visit OCIPEP's Website at:
http://www.ocipep-bpiepc.gc.ca/

Reserve Force

A. Role

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

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

B. Description

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

- the Primary Reserve;
- the Supplementary Reserve;
- the Cadet Instructors' Cadre; and
- the Canadian Rangers.

Primary Reserve

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

Reserve Projects and Initiatives

Four ongoing Reserve projects or initiatives to enhance recruiting and retention include:

- CF Pension Modernization Project (The Pension Plan for the Reserves)—In September 1999 the Minister of National Defence directed that a Reserve Pension Plan be implemented. To that end, a project was started in consultation with the William Mercer Group.

That group recently completed the first two phases of the four-phase project when a proposal was made to stop the "stand-alone" pension and offer an amalgamated approach under the umbrella of the *Canadian Forces Superannuation Act*.

The CFSA is being reviewed and modernized to redefine pension arrangements under the categories of either full-time or part-time—not Regular Force and Reserve. This will allow for a smooth transition between components and types of service, with contributions to the same pension plan throughout a career in the CF.

This new plan has been approved by the Minister of National Defence and will be implemented in the same timeframe as the stand-alone plan.

Careful consideration is being given to Reservists who will not have sufficient time to amass a reasonable pension. To that end, the Reserve Force Retirement Gratuity (RFRG) will be grandfathered and then phased-down to become a severance type of payment.

The method of calculation is being developed as a defined benefit plan that will address the diversity of Reserve employment.

The Pension is expected to receive Parliamentary approval and be implemented in the 2004-2005 timeframe. This initiative, which will bring the CF in line with federal pension legislation, will provide for two streams (full-time and part-time) under the same plan within the *Canadian Forces Superannuation Act* and is expected to enhance the retention of Reservists past their initial two-to three year-period.

- Reserve Force Employment Project (RFEP)—Throughout the course of the Reserve Force Employment Project, the Director of Reserve staff has worked directly with the project to:
  - examine current employment policies and employment differences between Regular and Reserve components of the CF, and to look at variations between Primary Reserve and other Reserve components;
  - change Reserve employment policies, as necessary, to enhance the ability of the Total Force to achieve its mission in the future, while reflecting a pan-Reserve focus;
  - incorporate approved changes into existing policies, orders and regulations;
  - review the Cadet Instructors' Cadre and make recommendations and changes, as necessary, that will attract and retain leaders for the Canadian Cadet Movement; and
  - monitor policy implementation to ensure that any amendments are pan-Reserve.

Specific priorities have included those initiatives that will directly enhance recruiting and retention:

- Reserve employment framework;
- Reserve compensation and associated benefits;
- Reserve access to personnel support programs;
- Reserve relocation policy;
- Reserve pension plan; and
- streamlined recruiting and component transfers.

- Land Force Reserve Restructure (LFRR)—Phase 1 of the LFRR is progressing well. The attention that project leadership and members pay to communications with the stakeholders is particularly noteworthy, and is expected to ease the impact of change, as well as the premise of the requirement to develop an effective and credible Army Reserve complementary and supplemental to the Regular Force and relevant to the needs of the nation. Currently, Army Reserve units lack the tools and guidance required to revitalize the personnel on the armoury floor.

The restructure is being conducted in two phases: Phase 1 deals with the organizational and structural issues, Phase Two involves identifying, staffing and implementing those other issues which directly affect the Reservists' quality of life in terms of day-to-day personnel benefits, training, administration and support, and is addressing all the Special Commission's recommendations not specifically addressed in Phase One.

The outcome of Land Force Reserve Restructure is to produce an Army Reserve which is essential, relevant, viable and sustainable. This means:

- the Reserve component of the Army is an essential member of the team;
- the Army Reserves must be relevant to the modern military environment;
- a viable Army Reserves means that there must be recognized minimum levels of resourcing, below which a unit cannot be expected to perform properly. In addition, unit leadership succession must be carefully planned and supported by the training system in order to guarantee future viability; and
- the Reserve structure must be sustainable within the resources available to the Army.

- The Human Resources Management System (HRMS) for the Reserves—Rollout dates for this system have been affected by a reprioritization of the Defence Information Human Resources System (DIHRS) due to the events of September 11th. The Reserve community has highlighted a number of deficiencies which must be incorporated into future upgrades of the system. The projected final rollout is expected on April 2003.

Supplementary Reserve

The Supplementary Reserve is composed of the Supplementary Holding Reserve and the Supplementary Ready Reserve. Members of the Supplementary Reserve are not required to perform duty or training except when on active service. They provide a pool of personnel with previous military service who could be recalled in an emergency. Civilian specialists may also enroll when there is a defined need. The future role of the Supplementary Reserve is being reviewed.

Cadet Instructors' Cadre

The Cadet Instructors' Cadre (CIC) is made up of officers who have undertaken to perform such military duty and training as may be required of them, but whose primary duty is the supervision, administration and training of cadets to ensure their safety and welfare while developing in them the characteristics of leadership, citizenship, physical fitness and an interest in the Canadian Forces. The review and development of policies, procedures

and practices are underway as input into the CIC Occupational Structure Implementation Plan (OSIP). Although the OSIP is due in 2003-04, the production of the CIC job requirement (i.e., Occupational Specification) document is progressing well and it is due to be completed by summer 2002. The review of additional policies and procedures that will be part of the OSIP will follow once the OS has been completed.

Canadian Rangers

The Canadian Rangers primarily serve on a voluntary basis, but do receive pay when on a tasking. Their 10 day, basic-training course is mandatory, but annual and continuation training are optional. They are obliged to serve only when placed on active service. Canadian Rangers must be in good health and must be able to live off the land. The Canadian Rangers provide a military presence in sparsely settled, northern, coastal and isolated areas of Canada that cannot conveniently or economically be covered by other elements of the Canadian Forces. As a result of a comprehensive study on their role, the Canadian Rangers will be expanded across the country.

Primary Reserve Planned Expenditures ($000)

Type of Expenditure	Planned Spending 2001-02	Planned Spending 2002-03
Reserve Pay	326,346	350,369
Regular Support Staff	95,450	97,598
Reserve Operating	42,496	59,285
Subtotal Direct	**464,292**	**507,252**
Ammunition	19,894	21,214
Equipment Usage	67,113	67,996
Clothing	19,063	19,358
Facility Operating	35,370	35,774
Subtotal Indirect	**141,440**	**144,342**
Base Support	83,436	88,324
Training	5,525	5,994
Subtotal Attributed	**88,961**	**94,318**
Subtotal Primary Reserve Operating	**694,693**	**745,912**
Dedicated Capital	8,362	10,650
Shared Capital	54,971	76,626
Subtotal Capital	**63,333**	**87,276**
Total Primary Reserve Costs	**758,026**	**833,188**

Communications Security Establishment and the National Cryptologic Program

A. Agency Overview and Mandate

The Communications Security Establishment (CSE) is an agency of the Department of National Defence. It was established in 1946 and became part of the Department in 1975. CSE's mandate, as legislated in the *National Defence Act*, Part VI, is to:

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

B. Accountability

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

Two Deputy Ministers, the Deputy Clerk of the Privy Council, Counsel, and Security and Intelligence Co-ordinator and the Deputy Minister of National Defence are responsible for ensuring that the Minister is fully informed of the Communications Security Establishment's activities. The Deputy Clerk is accountable for the Communications Security Establishment's policy and operations, and the Deputy Minister of National Defence is accountable for administrative matters affecting the Communications Security Establishment.

C. Strategic Objectives

The Communications Security Establishment is Canada's cryptologic agency. Its mission is to provide and protect information that furthers Government of Canada interests. CSE develops and applies its unique technical expertise and understanding of the evolving global information infrastructure in ways that are used to benefit Canada.

The signals intelligence program provides unique and timely foreign intelligence consistent with Canadian government requirements and priorities. This information is used for strategic warning, policy formulation, decision-making and day-to-day assessment of foreign capabilities and intentions.

The Information Technology Security (ITS) program delivers technical advice, guidance and services to the Government of Canada which help protect government information, information systems and information infrastructure. This is accomplished through the provision of products and services which include the evaluation of cryptographic, computer and network security products, IT security consulting services, and the development of government IT security policy and standards. The ITS program also provides support and technical leadership to government initiatives, such as Government On-Line, Information Infrastructure Protection, and the Government of Canada Public Key Infrastructure. In the December 2001 budget, the CSE received increased funding for maintaining and enhancing its capacity in both of its programs. Accordingly, in the next year CSE will refocus its efforts to respond to the Government's priority requirements related to transnational issues, including terrorism.

Resource and Financial Table

$000's	Forecast Spending 2001-02	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05
Salary & Personnel	62,100	69,100	76,600	76,600
O&M	52,000	41,789	50,399	56,335
Sub-total	**114,100**	**110,889**	**126,999**	**132,935**
Capital	73,753	29,036	28,134	29,339
Total	**187,853**	**139,925**	**155,133**	**162,274**

National Search and Rescue Secretariat and Rescue Program

A. Overview and Mandate

The goal of the National Search and Rescue Secretariat (NSS) is to advance the objectives of the National Search and Rescue Program (NSP) by co-ordinating, supporting, promoting, and reviewing the activities of the federal and non-federal agencies that provide search and rescue (SAR) services to people in distress throughout Canada's areas of jurisdiction.

The NSS provides central co-ordination and leadership to the National Search and Rescue Program (NSP). The NSS reports directly to the Lead Minister for Search and Rescue (LMSAR), who is also the Minister of National Defence.

The NSS also administers the New Search and Rescue Initiatives Fund (NIF) on behalf of the LMSAR. The NIF provides a total of $8.1 million annually towards the enhancement of search and rescue in Canada.

Consistent with the mandate of the NSS and more recently the direction of Treasury Board's management framework document "*Results for Canadians"*, the horizontal program environment requires the NSS to work on a daily basis in partnership with international, federal, provincial, and territorial clients with responsibilities to continue to develop, maintain, and deliver a seamless SAR system. Members of the six federal departments and agencies who are responsible for SAR operational program delivery form the Interdepartmental Committee on Search and Rescue (ICSAR), which is chaired by the Executive Director of the NSS. The six federal departments and agencies are: Department of National Defence (Canadian Forces), Department of Fisheries and Oceans (Canadian Coast Guard), Parks Canada Agency, Environment Canada (Meteorological Service of Canada), Solicitor General (RCMP), and Transport Canada.

B. Key Priority and Strategic Outcomes

Key Priority—The Strategic Transition Initiative Project (STIP)

The STIP, initiated in April 2000, was endorsed by SAR authorities and supported by resources from ICSAR departments/agencies, the NIF, and the NSS. The objective of the STIP is to implement recommendations presented in the Review of SAR Response Services on how to revitalize the federal SAR system within a multijurisdictional environment. The Review of SAR Response Services found that the SAR Program, while inherently multijurisdictional in nature, had not been managed effectively as a horizontal program, and that the NSS and ICSAR had not been able to play an effective role in this regard.

Planned Activities

Planned activities include:

- developing a Statement of Expectations in the form of legislation, policy directive, or other executive device;
- producing a draft federal SAR Plan that includes a performance-measurement tool and provision for federal/non-federal co-operation aimed at the creation of a Canadian SAR plan;
- creating revised terms of accountability for ICSAR and for the NSS leading to revised processes and reinforced horizontality in the SAR Program;
- leading a co-operative effort to enhance the co-ordination of federal SAR training programs and co-ordinate a program of co-operative international marketing of federal SAR skills and knowledge;
- establishing an interdepartmental standardization working group to deal with issues of equipment and procedural incompatibilities;
- leading discussions to link federal disaster mitigation capabilities, plans, and programs; and
- undertaking a study of the federal SAR readiness state to determine public acceptability, cost-effectiveness, and other relevant factors that impact on SAR readiness.

When completed in fiscal year 2002-03, the STIP will provide the framework for improved horizontal management of the Canadian SAR Program.

Strategic Outcome 1: A Cohesive and Efficient National SAR Program by:

1.1 Developing and co-ordinating a National Search and Rescue Program that is horizontally structured.

1.2 Building closer ties with non-federal counterparts.

1.3 Improving the quality, representation and responsiveness of New SAR Initiatives Fund Project proposals.

1.4 Strengthening the capacity of the Search and Rescue prevention program.

1.5 Maintaining and updating the Canadian Beacon Registry and disseminating information to stakeholders.

Strategic Outcome 2: An Informed and Well-educated SAR Community and General Public by:

2.1 Improving tools to foster communication and co-operation among national and international agencies involved in Search and Rescue.

2.2 Obtaining information from and disseminating information on SAR to the SAR community, general public and international partners, through greater use of information technology.

2.3 Expanding the scope and greater exchange of information and expertise through the annual SARSCENE workshop and trade show.

Strategic Outcome 3: Influential National and International Partnerships by:

3.1 Participating in national and international fora.

3.2 Leading and supporting Canadian initiatives in the maintenance and development of the international COSPAS-SARSAT satellite distress-alerting system.

Strategic Outcome 4: An Effective, Efficient and Healthy NSS Organization by:

4.1 Addressing human-resource management issues.

4.2 Optimizing the use of information technology to achieve program goals and increase efficiency.

4.3 Reviewing and updating administrative support arrangements.

Required Resources to Achieve Key Priority and Strategic Outcomes

Table 1: Details of Personnel Requirements (FTEs) by Department

	Estimated 2001-02	Planned 2002-03	Planned 2003-04	Planned 2004-05
National Search and Rescue Secretariat	19.5	19.5	19.5	20
Environment Canada	14	14	14	14
Department of Fisheries and Oceans*	N/A	N/A	N/A	N/A
Department of National Defence	806	746	681	679
Parks Canada Agency*	N/A	N/A	N/A	N/A
Transport Canada	7	7	7	7
Royal Canadian Mounted Police*	N/A	N/A	N/A	N/A
Total	**846.5**	**786.5**	**721.5**	**720.0**

* FTE information is not available for DFO, PCA and RCMP.

Table 2: Costs ($000) for National Search and Rescue Program

	Estimated 2001-02	Planned 2002-03	Planned 2003-04	Planned 2004-05
National Search and Rescue Secretariat	10,377	10,389	10,402	10,415
Environment Canada	985	985	985	985
Department of Fisheries and Oceans*	104,193	103,493	93,393	93,393
Department of National Defence**	251, 921	296,128	115,158	128,562
Parks Canada Agency***	4,929	4,929	4,929	4,929
Transport Canada	970	985	985	1,000
Royal Canadian Mounted Police****	N/A	N/A	N/A	N/A
Total	**373, 375**	**416, 909**	**225,852**	**239,284**

* DFO figures for FY 2000-2003 exclude capital for the ongoing and anticipated Lifeboat Replacement Program (Marine Safety Proposal) and exclude capital costs for multitasked ships.

** DND Canadian SAR Helicopter Capital costs: Planned FY 2001-2002 $128.5 M; Planned FY 2002-2003 $175.2 M; Planned FY 2003-2004 $8.6 M, Planned 2004-2005 $0.3M.

*** PCA—estimated salary information reflects the multifunctional nature of the Park Warden Service.

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

Table 3: Program Estimates ($000) for the National Search and Rescue Secretariat

	Estimated 2001-02	Planned 2002-03	Planned 2003-04	Planned 2004-05
Operating and Maintenance (O&M)	1,967	1,979	1,992	2,005
Capital	6,895	7,949	8,195	8,195
Grants and Contributions (G&C)	1,515	461	215	215
Total	**10,377**	**10,389**	**10,402**	**10,415**

Notes:

Baseline Capital of $8,195K includes $8.1M New SAR Initiatives Fund (NIF) and $95K NSS Capital.

Baseline Grants and Contributions of $215K includes Canada's share of the costs for the COSPAS-SARSAT Secretariat.

Fiscal year 2001-2002 Capital reduced and G&C increased by $1,300K to reflect NIF contributions to provinces and territories.

Fiscal year 2002-2003 Capital reduced and G&C increased by $246K to reflect NIF contributions to provinces and territories and Canada's share un the COSPAS-SARSAT Secretariat (approximately $215K) for a total of $461K.

For more information on the NSS, visit the Website at: **www.nss.gc.ca**

The Office of the National Defence and Canadian Forces Ombudsman

A. Establishment of the Office

On June 9, 1998, the Minister of National Defence appointed André Marin to the position of Ombudsman for DND/CF. The Office of the Ombudsman was established as a result of recommendations in a number of special reports on the military that an independent office should be created to investigate complaints of unfair treatment and to identify the need for systemic change.

After extensive consultations with members of DND/CF and other ombudsman offices, Mr. Marin presented a report to the Minister setting out the framework for an effective Ombudsman's Office in January 1999. Six months later, on June 16, 1999, the Office became operational through ministerial directives and a Defence Administrative Order and Directive (DAOD). At the time, it was agreed that the directives would be reviewed in six months and incorporated into regulations. On September 5, 2001, revised ministerial directives and the accompanying Defence Administrative Orders and Directives (DAOD) came into effect.

On March 26, 2001, the Minister of National Defence, the Honourable Art Eggleton, announced the reappointment of André Marin as the Ombudsman for the Department of National Defence and Canadian Forces for a period of five years, effective June 15, 2001. Identifying and resolving systemic problems is a priority for the Office this coming year. Since its inception, the Office has completed seven major investigations resulting in special reports to the Minister. Although they were all individual complaints, several of the reports identified systemic problems and offered recommendations to deal with them.

B. Mission and Vision

In September 2001, the Office adopted mission and vision statements to clearly define its role. The mission statement, "*Fair treatment—Positive change"*, is a reminder of the ongoing daily challenge to bring positive change to the members of the DND/CF community by ensuring fairness and equity.

The vision statement, "*A place to turn—Contributing to a healthy DND/CF community"*, speaks of the commitment to contribute substantial and long-lasting improvements to the welfare of DND/CF members by identifying and making recommendations to resolve systemic problems.

C. Operations

When handling complaints, the Ombudsman's Office endeavours to find solutions to problems by intervening at the level where change can be effected. The Office works with existing mechanisms within DND/CF and, in the absence of special circumstances, first directs individuals to the existing channels of redress. If, however, a complainant remains unsatisfied, the Office may determine that an investigation is warranted.

Investigations are confidential and complainants are kept informed of the progress of their case. After an investigation is complete, the complainant is advised of the outcome and any resulting recommendations. The complainant is also provided with copies of any related reports.

The Ombudsman receives complaints on a wide variety of issues ranging from medical problems to systemic matters such as benefits and military justice. Within the first six months of operations, the Office received 952 complaints. Between January and December 2001, the Office received 1,303 complaints. The Office completed several major investigations, which resulted in recommendations to improve handling of systemic issues such as conflict of interest, treatment of sexual-assault victims, public-affairs policies, and medical problems.

The Ombudsman may investigate any matter upon written direction from the Minister and, within the limits of his mandate, may investigate any matter on his own motion. The Ombudsman's Office commenced its first own-motion investigation in December 2001 when the Special Ombudsman Response Team initiated an investigation into harassment allegations at the Canadian Forces Operational Trauma and Stress Support Centre (OTSSC) in Halifax. This investigation is currently ongoing.

The Ombudsman's Office also received its first directed investigation from the Minister's Office with respect to complaints about the adequacy of a military Board of Inquiry. The Office has been directed to look into a serious training-related injury suffered by a military recruit.

D. Accountability

The independence of the Ombudsman is crucial to the credibility of the Office. With this in mind, the reporting structure was set up so that the Ombudsman is independent of civilian management and the chain of command and reports directly to the Minister. In addition to submitting an annual report, the Ombudsman may submit special reports to the Minister, as he considers appropriate.

E. Resource and Financial Tables

The following table outlines the Office of the Ombudsman's resource profile over a four-year period.

	Previous 2000-01		Current 2001-02		Estimated 2002-03		Estimated 2003-04	
	$000	**FTE**	**$000**	**FTE**	**$000**	**FTE**	**$000**	**FTE**
Salary	1,746	46	3,000	53	3,467	65	3,519	65
O&M	1,850		2,200		1,812		1,839	
Total	3,596		5,200		5,279		5,358	
Capital	200		2,000		279		283	
Total	**3,796**	**46**	**7,200**	**53**	**5,558**	**65**	**5,641**	**65**

Notes:

Contractors and temporary help staff have not been included in the salary or FTE total for fiscal year 2001-2002. These positions and the costs associated with them have been included under O&M for fiscal year 2001-2002. Salaries for investigative positions staffed in 2002 are reflected in the current 2001-2002 figures and the estimated 2002-2003 figures. The Office moved to 100 Metcalfe Street in March 2002. Moving expenses and construction costs have been included under Capital for fiscal year 2001-2002.

Section VI: Financial and Personnel Information

New Planning, Reporting Accountability Structure (PRAS)

In September 2001, the Treasury Board approved the Department's new Planning, Reporting Accountability Structure (PRAS). The new PRAS represents a shift in the departmental resource planning, allocation and reporting structure from eight Service Lines (Maritime Forces; Land Forces; Air Forces; Joint Operations and Civil Emergency Preparedness; Communications and Information Management; Support to the Personnel Function; Materiel, Infrastructure and Environment Support; Department/Forces Executive) to five Capability Programs (**Command and Control; Conduct Operations; Sustain Forces; Generate Forces; and Corporate Policy and Strategy**).

The PRAS is National Defence's principal strategic management and reporting framework regarding the Capability Programs. By adopting a results-based planning and management structure, the Department is now able to make explicit linkages between internal planning, resource allocation, and desired results. This allows the Department to enhance its resource allocation and strategic decision-making capabilities, and to better communicate to Canadians the value of the Department and the Canadian Forces.

The PRAS can be located at: **www.vcds.forces.ca/subjects/key_documents_e.asp**

Spending Authority

The following table provides a crosswalk between the Service Line structure and the new Capability Program structure:

Table 1: Crosswalk from Service Lines to Capability Programs

($ Thousands)	Command and Control	Conduct Operations	Sustain Forces	Generate Forces	Corporate Policy & Strategy	Total
Maritime Forces	155,755	1,002,504	613,297	272,414	9,245	2,053,215
Land Forces	342,647	1,472,541	1,005,181	343,615	17,343	3,181,326
Air Forces	148,513	975,231	1,047,549	410,120	247,348	2,828,761
Joint Operations and Civil Emergency Preparedness	261,237	533,287	154,253	79,869	37,662	1,066,307
Communications and Information Management	252,848	4,794	5,311	39,990	1,079	304,022
Support to the Personnel Function	5,995	–	357,695	474,223	22,938	860,850
Materiel, Infrastructure and Environment Support	1,470	–	521,174	229,119	2,316	754,079
Department/ Forces Executive	184,177	20,432	204,357	114,987	262,288	786,241
Total	**1,352,640**	**4,008,789**	**3,908,815**	**1,964,338**	**600,218**	**11,834,80**

Table 2: Program Planned Spending by Business Line (Capability Program) for Estimates Year 2002-03

($ Thousands)	Operating	Statutory Employee Benefit Plans	Capital	Grants and Contributions	Statutory Grants and Contributions	Gross Planned Spending	Less: Revenue Credited to the Vote	Net Planned Spending
Business Lines								
Command and Control	1,031,152	117,446	257,187	–	–	1,405,785	(53,145)	1,352,640
Conduct Operations	2,681,903	253,628	1,029,318	203,376	–	4,168,224	(159,435)	4,008,789
Sustain Forces	3,624,019	369,664	107,161	5,450	15,100	4,121,394	(212,579)	3,908,815
Generate Forces	1,288,244	161,084	562,008	6,147	–	2,017,483	(53,145)	1,964,338
Corporate Policy and Strategy	198,730	31,597	235,755	138,967	–	605,049	(4,831)	600,218
Total	**8,824,048**	**933,419**	**2,191,429**	**353,940**	**15,100**	**12,317,935**	(**483,135**)	**11,834,800**

The following table displays planned spending over a four-year timeframe including a forecast for the 2001-02 fiscal year. The forecast for 2001-02 includes the $11,390,000,000 provided National Defence in the Main Estimates plus an additional $983,979,000 added to Defence funding via the Supplementary Estimates and transfers from the Treasury Board throughout the year.

Table 3: Departmental Planned Spending

($ Thousands)	Forecast Spending 2001-02	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05
Command and Control	1,459,787	1,405,785	1,421,625	1,450,228
Conduct Operations	4,301,022	4,168,224	3,915,530	4,017,562
Sustain Forces	4,331,200	4,121,394	4,140,463	4,184,931
Generate Forces	2,005,422	2,017,483	2,066,608	2,113,360
Corporate Policy and Strategy	615,171	605,049	623,079	660,532
Gross Planned Spending	12,712,603	12,317,935	12,167,305	12,426,612
Revenue to the Vote	-338,624	-483,135	-435,305	-407,412
Total Planned Spending	**12,373,979**	**11,834,800**	**11,732,000**	**12,019,200**
Revenue Credited to the Consolidated Revenue Fund	-5,900	-5,600	-5,000	-5,000
Estimated Cost of Services by other Departments	367,980	389,325	388,195	411,486
Net Cost of the Department	**12,736,059**	**12,218,525**	**12,115,195**	**12,425,686**

Table 4: Summary of Capital Spending by Business Line (Capability Program)

($ Thousands)	Forecast Spending 2001-02	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05
Defence Services Program				
Command and Control	270,710	257,187	269,879	289,553
Conduct Operations	1,060,281	1,029,318	1,057,027	1,134,082
Sustain Forces	112,796	107,161	112,450	120,647
Generate Forces	563,979	562,008	602,149	643,135
Corporate Policy and Strategy	248,151	235,755	247,389	265,423
Total Capital Spending	**2,255,917**	**2,191,429**	**2,288,894**	**2,452,840**

Table 5a: Details on Major Capital Project Spending—Equipment ($ millions)

Projects in Table 5a have been identified on the basis as either: (1) where the estimated expenditure exceeds the approval authority granted to DND by the Treasury Board ($30 million with **substantive cost estimates**), or (2) the project is particularly high risk, regardless of the estimated amount. All of the major capital projects (equipment) fall under the *Generate Forces Capability Program*. However, to provide a better insight into what they 'generate', they have been listed below as an 'in support' to a given capability program. For FY 2002-03, planned spending on major capital projects (equipment) represents 91% of total planned capital spending (equipment).

IN SUPPORT OF CAPABILITY PROGRAMS	Currently Estimated Total Cost	Forecast Expenditures to March 31, 2002	Planned Expenditures 2002-03	Planned Expenditures 2003-04	Planned Expenditures 2004-05	Future Years Requirements
In Support of "Command and Control"						
Advanced aircraft navigation system	97.80	16.79	31.37	26.71	13.19	9.64
Advanced electro-optic sensor	31.68	28.44	3.24	–	–	–
Advanced phased array radar	55.39	50.57	4.82	–	–	–
Aurora communication management system replacement	57.63	4.94	19.89	24.96	7.85	–
Aurora electro-optical system replacement	46.92	–	8.93	19.29	12.81	5.89
Aurora—electronic support measures (B)	177.21	–	12.88	70.02	66.82	27.50
Aurora—imaging radar acquisition (B)	255.12	0.55	14.97	32.74	77.65	129.21
CC130—avionics update	91.41	87.26	4.06	–	–	–
Classified electronic key management system	35.43	35.26	0.13	–	–	–
High arctic data communication system	30.77	27.21	3.41	0.12	–	–
Land Forces command system	175.12	160.80	13.84	0.48	–	–
Land tactical electronic warfare improvements	77.38	76.62	0.76	–	–	–
Leopard thermal sight	138.60	127.79	10.60	0.21	–	–

Maritime command operational information network	33.42	33.09	0.30	–	–	–
North American air defence modernisation	1,055.26	1,053.81	0.39	–	–	–
Position determination & navigation system	73.12	70.52	2.60	–	–	–
Protected military satellite communications	230.23	57.62	61.14	53.90	45.06	12.29
Region/sector air operations centre project	116.22	65.63	7.65	13.58	3.73	25.63
Search and rescue satellite	65.53	65.29	0.14	0.04	–	–
Tactical command control & communication system	1,927.70	1,801.15	104.99	21.55	–	–
8 Air communication & control system	46.57	19.64	26.25	0.64	–	–
Sub-Total (Command and Control)	**4,816.82**	**3,782.97**	**332.37**	**264.23**	**227.10**	**210.16**

IN SUPPORT OF CAPABILITY PROGRAMS	**Currently Estimated Total Cost**	**Forecast Expenditures to March 31, 2002**	**Planned Expenditures 2002-03**	**Planned Expenditures 2003-04**	**Planned Expenditures 2004-05**	**Future Years Requirements**
In Support of "Conduct Operations"						
Armoured personnel carriers	2,228.00	1,700.84	318.84	97.33	110.98	–
Armoured personnel carriers life extension	327.01	130.01	53.35	52.20	45.14	46.32
Canadian Patrol Frigate	8,950.75	8,888.05	25.00	18.00	13.00	6.70
Canadian search and rescue helicopter	771.08	585.96	175.24	8.62	0.25	0.25
Canadian submarine capability life extension	803.49	451.86	89.08	67.99	71.89	122.67
CC130—Hercules tactical transport	350.65	349.78	0.52	–	–	–
CC150—Strategic air-to-air refuelling	103.47	3.50	29.13	38.76	30.88	1.11

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IN SUPPORT OF CAPABILITY PROGRAMS	Currently Estimated Total Cost	Forecast Expenditures to March 31, 2002	Planned Expenditures 2002-03	Planned Expenditures 2003-04	Planned Expenditures 2004-05	Future Years Requirements
CF18—Modernisation	1,080.00	203.34	237.24	95.40	122.52	421.50
Evolved sea sparrow missile	480.09	191.67	43.41	40.16	48.47	156.38
Hercules replacement acquisition	108.33	105.58	2.64	–	–	–
Improved landmine detection capability	31.11	29.63	0.71	0.77	–	–
Light armoured vehicle life extension	63.44	31.92	21.72	6.30	3.00	0.49
Light utility vehicle wheeled	219.53	6.17	15.81	160.75	33.31	3.49
Lynx replacement project	878.54	856.35	22.18	–	–	–
Maritime helicopters (definition)	55.71	12.41	13.62	3.99	6.07	19.57
Military automated air traffic system	149.52	97.43	25.38	23.61	2.95	–
Phalanx close-in weapons system	31.81	30.86	0.42	0.53	–	–
Short range anti-armour weapons	186.05	183.13	2.92	–	–	–
Towed array sonar system	113.95	108.78	5.11	0.06	–	–
Towed torpedo countermeasures	30.03	5.25	7.08	7.41	6.29	3.98
Tribal Class update & mod program	1,412.16	1,402.81	9.35	–	–	–
Utility tactical transport helicopters	1,164.56	1,033.69	43.20	43.31	43.20	–
Vessels—Maritime Coastal Defence Vessels	683.76	646.71	10.36	14.32	6.36	6.02
Sub-Total (Conduct Operations)	**20,220.29**	**17,055.73**	**1,152.30**	**679.50**	**544.30**	**788.47**

IN SUPPORT OF CAPABILITY PROGRAMS	Currently Estimated Total Cost	Forecast Expenditures to March 31, 2002	Planned Expenditures 2002-03	Planned Expenditures 2003-04	Planned Expenditures 2004-05	Future Years Requirements
In Support of "Sustain Forces"						
Canadian Forces Supply System Upgrade	298.12	276.37	21.45	–	–	–
Clothe the soldier project						
• definition	5.70	4.55	1.15	–	–	–
• wide brimmed combat hat	1.66	1.37	0.29	–	–	–
• wet weather boot	21.52	21.03	0.50	–	–	–
• sock system	10.17	6.92	2.24	1.00	–	–
• light thermal headwear	2.35	–	1.57	0.79	–	–
• temperate underwear	2.82	2.63	0.10	0.10	–	–
• lightweight thermal underwear	4.71	3.97	0.75	–	–	–
• ballistic eyewear	5.86	0.05	3.87	1.95	–	–
• fragmentation vest	18.02	0.03	0.08	14.33	3.58	–
• tactical vest	16.81	–	8.48	8.32	–	–
• improved environmental clothing system	88.71	64.56	3.31	9.96	10.31	0.57
• improved environmental clothing system (B)	5.67	–	6.00	–	–	–
• Cold Wet Weather Glove (CWWG)	6.67	5.71	0.96	–	–	–
• combat vehicle crewman glove	0.74	0.02	0.73	–	–	–
• temperate combat glove w/rescope (B)	3.00	–	2.00	2.00	–	–
• cadet clothing project	28.29	5.50	22.79	–	–	–
• ballistic protective plate	4.07	0.03	2.76	1.28	–	–
Clothe the soldier omnibus total	**226.76**	**116.36**	**57.58**	**39.22**	**13.89**	**0.57**

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IN SUPPORT OF CAPABILITY PROGRAMS	Currently Estimated Total Cost	Forecast Expenditures to March 31, 2002	Planned Expenditures 2002-03	Planned Expenditures 2003-04	Planned Expenditures 2004-05	Future Years Requirements
Defence integrated human resources	49.65	46.83	2.76	–	–	–
Defence message handling system	132.94	68.39	22.19	18.40	23.82	–
Materiel Acquisition and Support Information System	80.83	76.64	3.58	0.52	–	–
Materiel Acquisition and Support Information System (B)	56.63	1.99	48.97	5.67	–	–
Role three health support	40.42	17.21	10.56	12.64	–	–
Pollution control systems for ships	41.22	31.67	5.10	4.45	–	–
Sub-Total (Sustain Forces)	**926.00**	**635.47**	**171.35**	**80.90**	**37.71**	**0.57**

IN SUPPORT OF CAPABILITY PROGRAMS	Currently Estimated Total Cost	Forecast Expenditures to March 31, 2002	Planned Expenditures 2002-03	Planned Expenditures 2003-04	Planned Expenditures 2004-05	Future Years Requirements
In Support of "Generate Forces"						
Aurora—Flight deck simulator	38.72	–	11.31	16.50	10.84	–
Naval combat trainer	38.81	31.05	7.76	–	–	–
Unit weapons trainers	54.31	39.60	14.71	–	–	–
Weapons effect simulation	122.84	2.92	4.17	14.25	54.28	47.22
Sub-Total (Generate Forces)	**254.68**	**73.57**	**37.94**	**30.78**	**65.12**	**47.22**

TOTAL	**26,217.75**	**21,547.74**	**1,693.96**	**1,055.41**	**874.23**	**1,046.42**

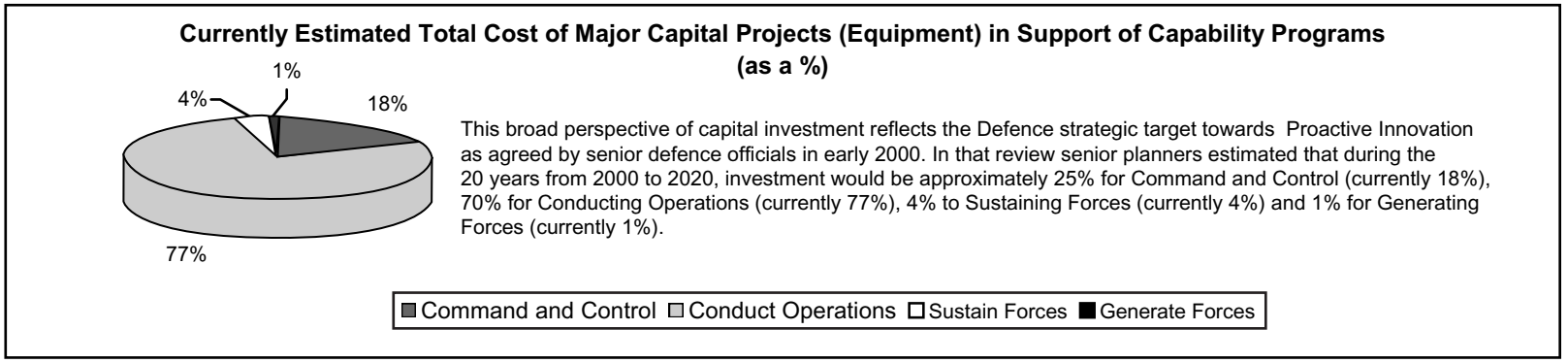


Table 5b: Details on Major Capital Project Spending—Construction ($ millions)

Projects in Table 5b have been identified on the basis as either: (1) where the estimated expenditure exceeds the approval authority granted to DND by the Treasury Board ($60 million), or (2) the project is particularly high risk, regardless of the estimated amounts. All of the major capital projects (construction) fall under the *Sustain Forces Capability Program*. However, to provide a better insight into what they 'sustain', they have been listed below as an 'in support' to a given capability program. For FY 2002-03, planned spending on major capital projects (construction) represents 7.1% of total planned capital spending (construction).

IN SUPPORT OF CAPABILITY PROGRAMS	Currently Estimated Total Cost	Forecast Expenditures to March 31, 2002	Planned Expenditures 2002-03	Planned Expenditures 2003-04	Planned Expenditures 2004-05	Future Years Requirements
In Support of "Sustain Forces"						
Fleet Maintenance Facility Cape Breton, NS (EPA)	91.58	17.93	14.20	21.20	20.30	17.95
TOTAL	**91.58**	**17.93**	**14.20**	**21.20**	**20.30**	**17.95**

Status Report of Major Crown Projects and Large Major Capital Projects

The following is an alphabetical list of major crown projects. A major crown project is defined as a high-risk government project exceeding $100 million in estimated expenditures or entails a significant risk. Complete status report on the individual project is found at: **http://www.vcds.forces.ca/dgsp/dfppc/pubs/rpp01/intro_e.asp**

Equipment

Armoured Personnel Carrier Replacement Project

Canadian Forces Supply System Upgrade Project

Canadian Forces Utility Tactical Transport Helicopter (CFUTH) Project

Canadian Search and Rescue Helicopter Project

CF-18 Engineering Change Proposal (ECP) 583

Clothe the Soldier Project

Evolved Sea Sparrow Missile (ESSM)

Light Utility Vehicle Wheeled Project

M113 (Armoured Personnel Carrier) Life Extension Project

Maritime Helicopter Project

Military Automated Air Traffic System (MAATS) Project

Protected Military Satellite Communications Project

Submarine Capability Life Extension Project

Tactical Command, Control and Communications System Project

Weapon Effects Simulation (WES) Project

Construction

Nil

Table 6: Summary of Transfer Payments

($ Thousands)	Forecast Spending 2001-02	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05
Grants				
Sustain Forces	100	100	100	100
Generate Forces	1,147	1,147	1,147	1,147
Corporate Policy and Strategy	3,081	3,083	3,084	3,084
Sub-total Grants	**4,328**	**4,330**	**4,331**	**4,331**
Contributions				
Conduct Operations	253,220	203,376	3,531[1]	1,215[1]
Sustain Forces	22,150	20,450	20,950	21,450
Generate Forces	5,357	5,000	5,000	5,000
Corporate Policy and Strategy	135,185	135,884	141,462	138,596
Sub-total Contributions	**415,912**	**364,710**	**170,943**	**166,261**
Total Grants and Contributions	**420,240**	**369,040**	**175,274**	**170,592**

1. Excludes contributions for Disaster Financial Assistance Arrangements as these payments are forecast only one year in advance in the Estimates.

Details on Transfer Payments Programs

In accordance with the revised Transfer Payments policy released June 1, 2000, paragraph 7.4.5 states the departmental Reports on Plans and Priorities must include additional information on Grants, Contributions and Other Transfer Payment programs, which receive funding in excess of $5 million.

CONTRIBUTIONS TO THE PROVINCES FOR ASSISTANCE RELATED TO NATURAL DISASTERS

Objective

To provide financial assistance to provincial and territorial governments in cases where the basic costs of response and recovery would be greater than they reasonably could be expected to bear.

Planned Results

To help restore provincial/territorial public works to their pre-disaster condition and to facilitate the restoration of basic, essential, personal property of private citizens, farmsteads and small businesses.

Milestones

Audited expenses are reimbursed as expeditiously as possible in accordance with established guidelines for the administration of Disaster Financial Assistance Arrangements.

NATO MILITARY BUDGET AND AGENCIES

Budget

Objective

To contribute the Canadian share of the NATO Military Budget, a common-funded program to finance the operating and maintenance costs of the NATO military structure and activities.

Planned Results

By means of the NATO Military Budget (equivalent to approximately 1 Billion $CDN in annual expenditure), the support of International Military Staff, NATO major and subordinate military commands, the research and technical centres, communications-electronics systems, the NATO Defence College and the NATO Airborne Early Warning and Control Force.

Milestones

Direct and quantifiable milestones are not feasible. From a process perspective, the ultimate control of expenditure rests with the member nations at all levels of decision-making. Approval of the budget can be seen as the translation of political, organizational and financial policies, which member nations wish to implement. The execution of the budget

and the overall financial management by the NATO's financial controllers are sanctioned by Financial Regulations approved by the North Atlantic Council and any special controls imposed by nations. At the end of the year, the annual financial statements are presented for verification by the International Board of Auditors for NATO, which is mandated by national audit institutions to conduct not only financial but also performance audits.

Agencies

NATO AIRBORNE EARLY WARNING MID-TERM MODERNIZATION PROGRAMME

Objective

To substantially improve the quality of the Airborne Early Warning (AEW) sub-systems aboard the 17 NATO E-3A aircraft, part of the Mid-term Modernization Program, the Canadian share of which is 8.0536% or US$66M.

Planned Results

Continued support for Canada's fair share of costs in the Mid-term Modernization Program, an eight-year effort (1998-2006) that will cost US$ 829M (BY 1996).

Milestones

Although the implementation of the Mid-term has pre-determined milestones and a corresponding payment schedule, these have shifted as a function of the work accomplished by Boeing, the NATO prime contractor.

NATO INFRASTRUCTURE—NATO SECURITY INVESTMENT PROGRAM (NSIP)

Objective

To contribute the Canadian share of the NSIP, a common-funded program to finance the provision of installations, equipment and facilities needed to support the roles of the NATO military structure, recognized as exceeding the domestic defence requirements of individual member nations.

Planned Results

The maintenance of air defence and air surveillance capability; the provision of NATO-wide command, control and consultation support capability; and the deployability, mobility and sustainability of forces. The NSIP supports the equivalent of approximately 900 million $CDN in annual expenditure.

Milestones

The implementation of NSIP projects is in the hands of individual member nations, thus, direct and quantifiable milestones are not appropriate. From a process perspective, through implementation management procedures, there is active monitoring of projects to ensure that any undue delay in providing the capability requested by the military structure is dealt

with. Also, all projects are inspected by NATO technical and military experts to ensure that they meet the operational requirements, and are audited by the International Board of Auditors for NATO to ensure funds have been spent only for the purposes authorized.

CANADIAN INTERNATIONAL (PEARSON) PEACEKEEPING CENTRE

Objective

To provide ongoing core financial support to the Pearson Peacekeeping Centre (PPC), which supports the Government's interest in projecting Canada's peace operations policy and approach abroad, in order to raise the country's international profile. Key objectives are: a range of learning programmes in peace operations directed at an international multidisciplinary audience, Canadian participation in the development of peace operations knowledge, learning and practice; and a centre of intercultural research and learning in multidisciplinary peace operations;

Planned Results

The PPC's Board of Directors and its management team have developed the following set of key results: military-civilian participation in integrated learning services; increased public and general knowledge about peace operations; dissemination of peace operations knowledge: research, discussion and publication; effective peace operations practitioners; effective management of peace operations; intercultural dialogue, policy and practice related to peace operations; dissemination of Canadian values and approaches; and contribution to international peace and security. As part of the PPC's strategic business plan, the Board of Directors together with PPC management may change these key results as PPC's stakeholders and clients may require.

Milestones

DND will submit a Results-Based Management and Accountability Framework as part of the Treasury Board Submission. DND will conduct an evaluation prior to the renewal of the contribution in five years. PPC will be subjected to an annual audit conducted by external auditors, table internal audit reports at the end of each contribution period, and provide the following reports: a business plan and the budget for the coming three fiscal years, on or before March 1 of each year; a trimestrial financial report and updating the forecast for the next trimester and remainder of the fiscal period; a mid-year detailed financial analysis compared to the corresponding mid-year budget; and a year-end annual report, covering academic, operational and financial achievements of the year. Also, the PPC will advise of any significant changes in the business environment or internal operations as soon as the changes become known.

Table 7: Summary of Respendable and Non-Respendable Revenue by Business Line

Respendable Revenue

($ Thousands)	Forecast Spending 2001-02	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05
Defence Services Program				
Command and Control	37,249	53,145	47,884	44,815
Conduct Operations	111,746	159,435	143,651	134,446
Sustain Forces	148,995	212,579	191,534	179,261
Generate Forces	37,249	53,145	47,884	44,815
Corporate Policy and Strategy	3,386	4,831	4,353	4,074
Total Respendable Revenue	**338,624**	**483,135**	**435,305**	**407,412**

Non-Respendable Revenue

($ Thousands)	Forecast Spending 2001-02	Planned Spending 2002-03	Planned Spending 2003-04	Planned Spending 2004-05
Defence Services Program				
Conduct Operations	5,881	5,580	5,000	5,000
Total Non-Respendable Revenue	**5,881**	**5,580**	**5,000**	**5,000**

Table 8: Net Cost of the Program for the Estimates Year

($ Thousands)	Defence Services Program 2002-03
Net Planned Spending	**11,834,800**
Plus: Services Received without Charge	
Accommodations provided by PWGSC	56,675
Contributions employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	316,752
Workman's compensation coverage provided by Human Resources Canada	12,711
Salary and associated expenditures of legal services provided by Justice Canada	3,187
Subtotal	**12,224,125**
Less: Non-respendable Revenue	**(5,600)**
2002-03 Net cost of the Program	**12,218,525**

Planned Full Time Equivalents (FTEs)

Table 9: Civilian Personnel Requirements (FTEs) by Capabilities Program

Capability Programs	Actuals 1999-00	Actuals 2000-01	2001-02 Estimated	2002-03 Forecast	2003-04 Forecast	2004-05 Forecast
Command and Control	1,115	1,038	1,028	1,032	1,032	1,032
Conduct Operations	416	419	420	422	422	422
Sustain Forces	13,803	13,667	13,594	13,649	13,649	13,649
Generate Forces	3,126	3,204	3,339	3,352	3,352	3,352
Corporate Policy & Strategy	786	950	919	922	922	922
Total	**19,246**	**19,278**	**19,300**	**19,377**	**19,377**	**19,377**

Table 10: Military Personnel (Regular Force) Requirements by Capabilities Program (FTEs)

Capability Programs	Actuals 1999-00	Actuals 2000-01	2001-02 Estimated	2002-03 Forecast	2003-04 Forecast	2004-05 Forecast
Command and Control	5,861	5,969	5,853	5,973	5,973	5,973
Conduct Operations	19,142	20,179	18,468	18,848	18,848	18,848
Sustain Forces	23,406	20,484	21,065	21,499	21,499	21,499
Generate Forces	10,115	11,306	12,979	13,247	13,247	13,247
Corporate Policy & Strategy	836	914	914	933	933	933
Total	**59,360**	**58,852**	**59,279**	**60,500**	**60,500**	**60,500**

Table 11: Personnel Requirements by Capabilities Program—Combined Military and Civilian Workforce (FTEs)

Capability Programs	Actuals 1999-00	Actuals 2000-01	2001-02 Estimated	2002-03 Forecast	2003-04 Forecast	2004-05 Forecast
Command and Control	6,976	7,007	6,881	7,005	7,005	7,005
Conduct Operations	19,558	20,598	18,888	19,270	19,270	19,270
Sustain Forces	37,209	34,151	34,659	35,148	35,148	35,148
Generate Forces	13,241	14,510	16,318	16,599	16,599	16,599
Corporate Policy & Strategy	1,622	1,864	1,833	1,855	1,855	1,855
Total	**78,606**	**78,130**	**78,579**	**79,877**	**79,877**	**79,877**

Table 12: Summary by Professional Category (Civilian)—FTEs

Professional Category	Actuals 1999-00	Actuals 2000-01	2001-02 Estimated	2002-03 Forecast	2003-04 Forecast	2004-05 Forecast
OIC Appointments	1	1	3	3	3	3
Executive	83	82	90	95	95	95
Scientific and Professional	1,499	1,601	1,581	1,587	1,587	1,587
Administrative and Foreign Service	2,772	3,027	3,219	3,232	3,232	3,232
Technical	1,844	1,847	1,912	1,919	1,919	1,919
Administrative Support other than Clerical	1,131	953	977	981	981	981
Clerical and Regulatory	3,212	3,298	3,386	3,388	3,388	3,388
Operational other than General Labour and General Services	2,475	2,429	2,318	2,329	2,329	2,329
General Labour and Trades	3,384	3,290	3,169	3,180	3,180	3,180
General Services	2,845	2,750	2,645	2,663	2,663	2,663
Total	**19,246**	**19,278**	**19,300**	**19,377**	**19,377**	**19,377**

Notes:

- Future years do not consider the impact of Universal Classification System (UCS) on the professional category and associated FTE count.
- Adjustments in FY 2000-01 reflect organizational restructuring over two years and revised system reporting.
- Increases in the OIC and EX categories are due to the inclusion of the Associate Deputy Minister and Ombudsman.

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

Rank	Actuals 1999-00	Actuals 2000-01	2001-02 Estimated	2002-03 Forecast	2003-04 Forecast	2004-05 Forecast
General/Lieutenant-General	10	10	10	10	10	10
Major-General	20	20	20	20	20	20
Brigadier-General	47	46	47	46	46	46
Colonel	280	278	280	275	275	275
Lieutenant-Colonel	955	947	954	979	979	979
Major	3,057	3,031	3,053	3,150	3,150	3,150
Captain	6,052	6,000	6,044	6,175	6,175	6,175
Lieutenant	1,418	1,406	1,416	1,500	1,500	1,500
Officer Cadet	1,680	1,666	1,678	1,700	1,700	1,700
Chief Warrant Officer	607	602	606	600	600	600
Master Warrant Officer	1,716	1,701	1,713	1,701	1,701	1,701
Warrant Officer	3,610	3,579	3,605	3,678	3,678	3,678
Sergeant	6,741	6,683	6,732	6,743	6,743	6,743
Corporal	27,784	27,546	27,746	28,317	28,317	28,317
Private	5,382	5,336	5,374	5,606	5,606	5,606
Total	**59,360**	**58,852**	**59,279**	**60,500**	**60,500**	**60,500**

Table 14: Cost Estimates of CF Operations (correct to 31 Dec. 2001)

	FY 2001-02 ($millions)				FY 2002-03 ($millions)			
OPERATIONS	**Full DND Cost**	**Incremental DND Cost**	**Est UN Revenue to CRF**	**Est UN/MFO Revenue to DND**	**Full DND Cost**	**Incremental DND Cost**	**Est UN Revenue to CRF**	**Est UN/MFO Revenue to DND**
EUROPE								
SFOR—OP *PALLADIUM* (Bosnia) (NATO)[1]	455.1	162.9			455.1	162.9		
UNMIBH (UNMOP)—OP *CHAPERON*	0.2	0.1			closed	closed		
SFOR—OP *ECHO* (Aviano)	0.5	0.1			0.0	0.0		
OP *QUADRANT* (Albania, UNMIK, UNMACC)	0.8	0.4			0.8	0.4		
OP *FORAGE* (FYROM)	16.4	6.2			0.1	0.0		
OP *IMAGE*	0.2	0.1			0.2	0.1		
OP *ARTISAN* (UN ALBANIA)	0.3	0.2			0.0	0.0		
SUB-TOTAL	**473.5**	**170.0**			**456.2**	**163.4**		
ASIA								
OP *TOUCAN* (East Timor and Australia)[2]	1.8	1.8			0.0	0.0		
SUB-TOTAL	**1.8**	**1.8**			**0.0**	**0.0**		
MIDDLE EAST								
UNDOF—OP *DANACA* (Golan Heights)	29.6	8.0			29.6	8.0		
MFO (Multinational Force & Observers)—OP *CALUMET* (Sinai) non-UN	3.0	0.5			3.0	0.5		
UNTSO (Middle East)	1.5	0.7			1.5	0.7		
UNIKOM—OP *RECORD* (Kuwait)	0.2	0.1			closed	closed		
UNFICYP—OP *SNOWGOOSE* (Cyprus)	0.3	0.1			0.3	0.1		
OP *APOLLO*[3 7]	510.8	216.0			251.7	180.6		
OP *AUGMENTATION* (Golfe d'Arabie)[4]	39.1	3.1			closed	closed		
SUB-TOTAL	**584.5**	**228.5**			**286.1**	**189.9**		

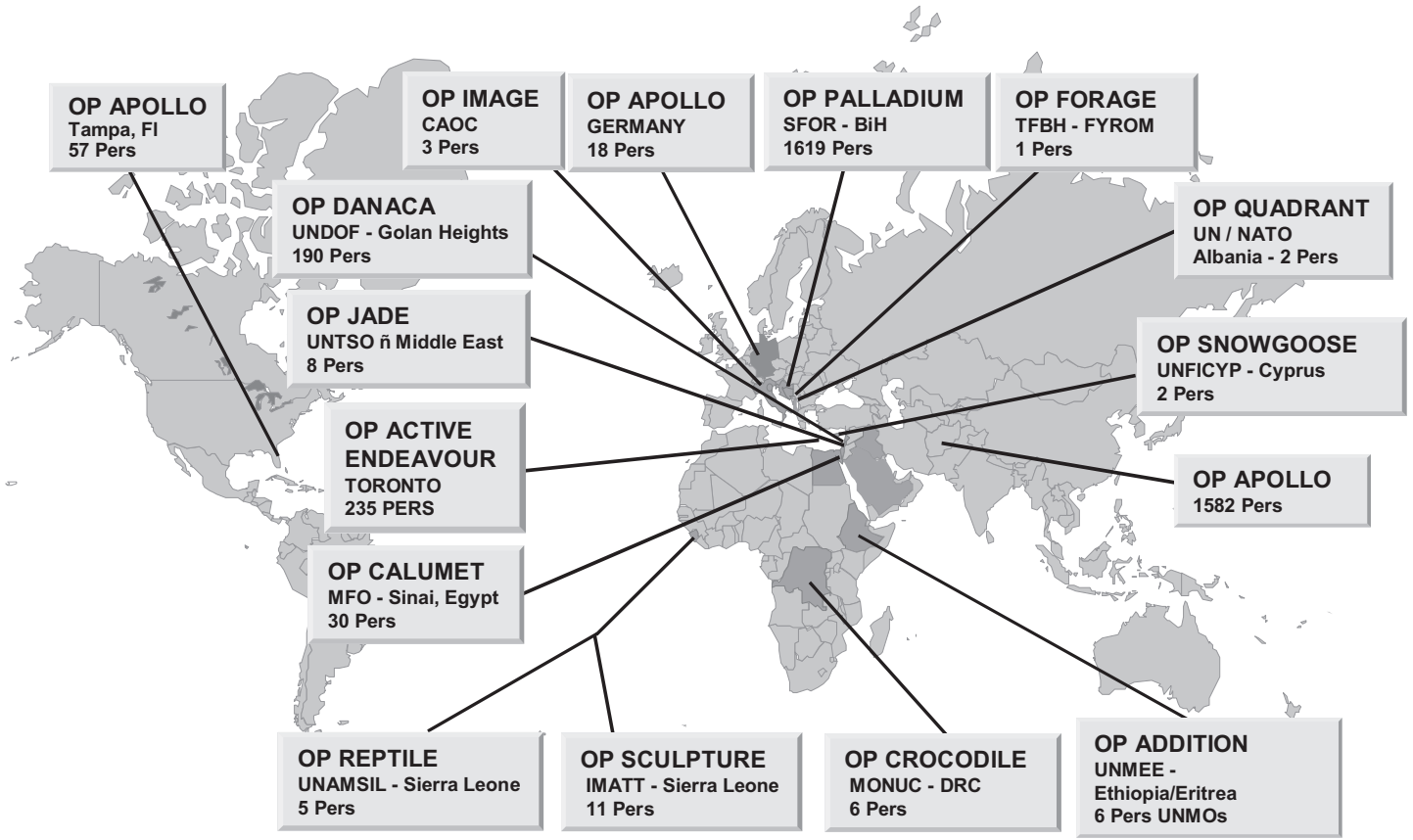
Continued on page 56

Continued from page 55

	FY 2001-02 ($millions)				FY 2002-03 ($millions)			
OPERATIONS	**Full DND Cost**	**Incremental DND Cost**	**Est UN Revenue to CRF**	**Est UN/MFO Revenue to DND**	**Full DND Cost**	**Incremental DND Cost**	**Est UN Revenue to CRF**	**Est UN/MFO Revenue to DND**
AFRICA								
UNAMSIL— OP *REPTILE* (Sierra Leone)	0.6	0.2			0.6	0.2		
IMATT— OP *SCULPTURE* (Sierra Leone)[5]	4.0	0.4			4.0	0.4		
MONUC— OP *CROCODILE* (DRC)[5]	1.3	0.3			1.3	0.3		
UNMEE— OP *ADDITION* (Ethiopia/Eritrea)	1.0	0.5			1.0	0.5		
UNMEE— OP *ECLIPSE* (Ethiopia/Eritrea)	37.9	17.3			closed	closed		
SUB-TOTAL	**44.8**	**18.7**			**6.9**	**1.4**		
Revenue and Recoveries from the UN[6]			**50.5**	**7.0**			**7.9**	**4.3**
TOTAL— OPERATIONS	**1,104.6**	**419.0**	**50.5**	**7.0**	**749.2**	**354.7**	**7.9**	**4.3**

1. OP *PALLADIUM* cost estimates will be subject of a future detailed cost review due to changes in the concept of operations for this mission.
2. OP *TOUCAN* reflects increased costs from last year's RPP due to end of mission unforecasted costs.
3. OP *APOLLO* costs are only an estimate and are subject to possible future changes as the concept of operations for this new mission evolves.
4. OP *AUGMENTATION*—a reduction from last year's RPP because of reduced ship in-theatre tour length.
5. OP *SCULPTURE* and OP *CROCODILE*—an increase from last year's RPP due to increased personnel to theatres of operation.
6. UN Revenues for 2001-02 reflect a substantial increase over last year's RPP due to unforecasted USA arrears payments to the UN resulting in significant UN payments of long outstanding UN debts to participating nations, including Canada.
7. The incremental costs of OP *APOLLO* for 2001-02 and 2002-03 are adjusted to include the Land force portion as of 10 January 2002.

CF Deployments as of 31 Dec. 2001



MISSIONS: 14	PERSONNEL: 3,573

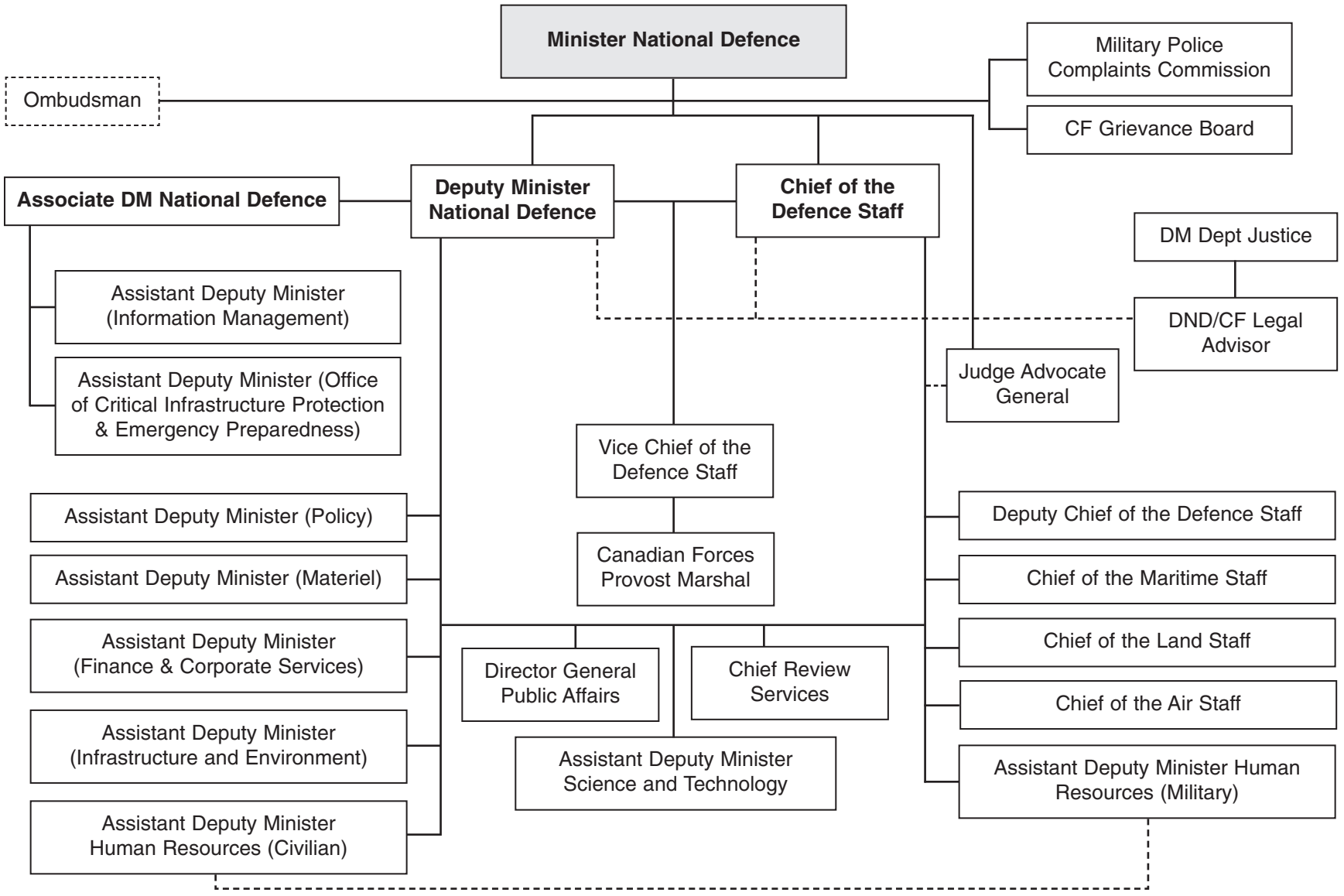
Section VII: Other Information

List of Statutes and Regulations

The Minister of National Defence is assigned relevant responsibilities in the administration of the following Acts:

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

Departmental Organization



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