

National Défense
Defence nationale

Department of National Defence
Report on Plans and Priorities
2007–2008

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Minister's Message

As Minister of National Defence, I am honoured to present to Parliament the 2007-2008 Report on Plans and Priorities.

This year's report reflects the continuing refinement and application of the Treasury Board *Program Activity Architecture* (PAA) to the management of defence. In the coming months, the department will further integrate and link the PAA to resources. The eventual goal is to provide a clear understanding of the relationship between resources and outcomes in executing the department's three major activities:

- Ensuring that the Department of National Defence and the Canadian Forces have a relevant and credible capacity to meet their defence and security commitments;
- Contributing to domestic and international peace, security and stability by achieving success in assigned missions; and
- Promoting good governance and the Canadian identity and exerting influence in a global community.



As part of a whole-of-government approach to defence and security, the Canadian Forces' first priority continues to be success in our operations at home and abroad. Achieving operational success is contingent on a number of interrelated priorities, including enhancing force protection and generating, supporting and sustaining operational forces.

Cuts to the defence budget and personnel levels throughout the 1990s, combined with an increase in operational tempo over the last decade, have had a negative impact on our military. This legacy will limit the pace at which the Government implements its initiatives for defence. For example, since conducting ongoing operations remains our first priority, the expansion of the Canadian Forces will need to be carefully managed, and may take longer than first envisaged.

The Canadian Forces will continue to protect Canadians at home and assert our sovereignty in the context of an increasingly complex security environment. We expect that demand for CF support for activities including search and rescue operations, law enforcement and emergency response will continue to increase. As a consequence, Canada's military must be better prepared to respond to emerging domestic demands.

Along with these vital domestic responsibilities, Canada will continue to uphold its longstanding dedication to global peace and security. Canada's ongoing contribution to international efforts to bring security and stability to Afghanistan remains the primary focus of CF operations abroad, and we are committed to achieving sustained progress in that country.



In addition to sustaining today's activities, the department must prepare for tomorrow. The Government is developing the *Canada First Defence Strategy*, which will put forward a long-term plan to guide DND and the CF into the future. It will provide the framework for revitalizing the core capabilities of the Canadian Forces. The department will move forward in 2007-08 on a number of initiatives that will improve the Forces' ability to fulfill essential national responsibilities, including national surveillance, increase their presence at home, including in the Arctic, and enhance their ability to respond to natural disasters and other emergencies on Canadian soil.

To protect our country, the Canadian Forces rely on the dedication and commitment of all members of the Defence team—both military and civilian. I am proud to lead this vital national institution. I look forward to continuing my work with Canadians and Members of Parliament and the Senate to enhance the Forces and provide ongoing support to our courageous men and women in uniform.

The Honourable Gordon J. O'Connor, PC, MP
Minister of National Defence



Management Representation Statement

I submit for tabling in Parliament, the 2007–2008 Report on Plans and Priorities (RPP) for the Department of National Defence.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007–2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- it adheres to the specific reporting requirements outlined in the Treasury Board Secretariat (TBS) guidance;
- it is based on the department's Strategic Outcomes and Program Activity Architecture (PAA) that were approved by the Treasury Board;
- it presents consistent, comprehensive, balanced and reliable information;
- it provides a basis of accountability for the results achieved with the resources and authorities entrusted to DND and the CF; and
- it reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the RPP.

W.P.D. Elcock
Deputy Minister



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An electronic version of this report is available at: http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/ddm/rpp/rpp07-08/intro_e.asp

Note: Hyperlinks to supplementary information are embedded in the electronic version of this document.

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Section I: Departmental Overview

Defence as a National Institution

The Defence Mission

Our mission is to defend Canada and Canadian interests and values while contributing to international peace and security.

Under Canadian defence policy, the Canadian Forces are called upon to undertake three roles:

- protect Canadians at home;
- defend North America in co-operation with the United States; and
- defend Canadian interests abroad.

To carry out these roles successfully, the Canadian Forces maintain a range of military capabilities, including modern, combat-capable sea, land, air and special operations forces.

The Defence Portfolio

The Department of National Defence (DND), the Canadian Forces and a group of related organizations and agencies, including the Communications Security Establishment (CSE) and Defence Research and Development Canada (DRDC), carry out the Defence mission.

The CF also maintain the following:

- a police service, comprising the Military Police and the National Investigation Service, operating under the technical supervision of the Canadian Forces Provost Marshal;
- a justice system administered under the superintendence of the Judge Advocate General;
- chaplaincy services;
- extensive communications networks in Canada and abroad;
- firefighting services;
- medical and dental services because CF members are excluded from both the *Canada Health Act* of 1984 and the Public Service Health Care Plan;
- youth programs, specifically the Canadian Cadet Program and the Junior Canadian Rangers;
- the Canadian Defence Academy;
- the Canadian Forces Grievance Authority;
- the Canadian Forces Housing Agency; and
- the Canadian Forces Personnel Support Agency.

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

- the Office of the Judge Advocate General;
- the Office of the Ombudsman for the Department of National Defence and the Canadian Forces;



- the National Search and Rescue Secretariat; and
- the Office of the CSE Commissioner.

The *National Defence Act* establishes DND and the CF as separate entities operating in close co-operation under the authority of the Minister of National Defence. As well as the *National Defence Act*, the Minister of National Defence is responsible for the administration of the statutes, regulations and orders listed at Appendix A. The *National Defence Act* also establishes a Deputy Minister to be responsible for policy, resources, interdepartmental co-ordination and international defence relations, and designates the Chief of the Defence Staff, the senior serving officer of the CF, as the person “... who shall, subject to the regulations and under the direction of the Minister, be charged with the control and administration of the Canadian Forces.”¹

The Canadian Forces Grievance Board and the Military Police Complaints Commission report to the Minister of National Defence although they are not part of the Department of National Defence. This reporting arrangement and organizational status are designed to ensure accountability while maintaining an ‘arm’s-length’ relationship.

Specific accountability for results and associated performance measurement areas at the level of the Assistant Deputy Ministers and the Environmental Chiefs of Staff are detailed in the [Defence Plan On-Line](#). The National Defence Headquarters organization chart is found in Section III.

Key Defence Partners and Stakeholders

Defence works with many Canadian and international partners that help support its mission, programs and activities. The broad scope of the Defence mandate is reflected in the complexity and diversity of its partners and stakeholders, listed in Appendix B.

The Benefits of Defence Investment by Strategic Outcome

The Chief of the Defence Staff and the Deputy Minister are responsible for transforming National Defence to improve their ability to defend Canada, protect Canadian interests and values, and enhance Canada’s role in the world. The ability to respond to the needs of Canadians and meet the challenges of the evolving security environment is at the centre of the transformation process. Defence provides Canadians with the confidence in Canada’s capacity to meet defence and security commitments, to contribute successfully to assigned missions, and to demonstrate Canadian values through leadership and good governance.

Confidence that DND and the CF have relevant and credible capacity to meet defence and security commitments.

To respond to ongoing and future requirements, the Canadian Forces are improving the integration of maritime, air, land and special operations forces to allow units to work as one unified team. On July 1, 2005, the transformation of the CF began with the formation of Canada Command (Canada COM). Defending Canada is the Canadian Forces’ first priority. As an integrated national operational command headquarters, Canada COM allows the CF to deploy the best mix of military assets to meet any emergency anywhere in Canada. In the event of a natural disaster or a terrorist attack, the combined response will be immediate, co-ordinated and sustained. Canada COM is also responsible for operations to defend North America and maintain continental security in co-operation with the United States.

1. National Defence Act, Article 18 (1)



To better meet our international defence and security commitments the CF has stood up Canadian Expeditionary Forces Command (CEFCOM), which is responsible for the conduct of all overseas operations, including humanitarian, peace support and combat operations. Canadian Special Operations Forces Command (CANSOFCOM) has been created to support Canada COM and CEFCOM with a broad spectrum of agile special operations capabilities at high readiness. These commands utilize Environmental Chief of Staff² generated and assigned forces that are renowned for their professionalism and exceptional training internationally and thus are greatly sought after for their expertise.

Success in assigned missions in contributing to domestic and international peace, security and stability.

The CF are poised to respond to domestic and international crises when called upon by the Government of Canada. On the domestic front, the CF is prepared to provide much-needed humanitarian assistance in response to a natural disaster as well as to instill a psychological sense of security which facilitates reconstruction and society's return to normalcy. The CF will continue to conduct surveillance patrols of Canada's territory, aerospace and ocean approaches, concentrating on areas where Canada's economic interests are most likely to be challenged as well as continuing to ensure the safety of Canadians. This crucial role is evidenced by the over 8,000 search and rescue incidents which the CF have responded to in the last year.

Every day, over 9,100 members of the CF are employed in roles supporting domestic operations. Since April 2005, more than 4,700 CF personnel have deployed on various missions, and Canada now has more than 2,900 personnel deployed around the world to defend Canadian values and interests while contributing to international peace and security. In the "whole of government" approach to the problem of failed and failing states, Defence has the task of providing the secure environment that lays the foundation for the delivery of humanitarian aid and long-term development assistance. The CF frequently receive requests to lead these efforts. To ensure they remain able to do so, the CF will continue to seek ways to improve on their capabilities.

Currently, reservists make up 13% of DND's deployed strength abroad, including one in seven soldiers in Afghanistan. The CF Transformation and anticipated commitments in international operations suggest that this rate of reservists' participation in operations will be maintained, if not increased, under the new Integrated Managed Readiness System.

Good governance, Canadian identity, and influence in the global community

At home, Defence benefits Canadian society in a wide variety of ways. With more than 30 bases and stations across the country, the CF make a significant economic impact while contributing to the security of Canadians. The economic effects extend beyond military equipment such as weapons, ammunition, aircraft, vehicles, ships, and electronic and navigation instruments, or even the salaries of CF members and Defence civilians. Defence spending reaches throughout the multitude of industrial activities that support and enable Defence: construction, transportation, telecommunications, utilities, energy, land and building rentals, education and advertising, to name but a few.

² Refers to any one of the following Chief of Staff, Chief of Maritime Staff, Chief of Land Staff, Chief of Air Staff who report directly to the Chief of the Defence Staff.



The CF presence is further extended by more than 300 Reserve units, about 125 Canadian Ranger patrols, and more than 1,100 Cadet units and Canadian Junior Ranger patrols, each constituting a vital link between the Canadian Forces and the people of Canada. In fact, the CF are present in every province and territory, and in more than 3,000 communities across the country. As Defence is Canada's largest single public-sector employer, defence spending and investment contributes to the prosperity of Canadian communities, businesses and industries.

Through its research and development initiatives, Defence is a science and technology leader. Defence also supports civilian health-care providers in major emergencies, and helps protect the environment by participating in the clean-up and remediation of contaminated sites.

These varied activities, coupled with the presence of CF personnel and Defence civilians, highlight the importance of Defence's contributions to Canadian identity. It is important the foregoing activities continue to demonstrate Canadian values through leadership and good governance.

The ultimate goal for Defence during fiscal 2007–2008 is to ensure that the Canadian Forces can defend Canada, protect Canadian interests and values, and enhance Canada's role in the world by maintaining multi-role, combat-capable defence forces.



Link to the Government of Canada Outcome areas

Defence's actively contributes to all of the Government of Canada Outcomes. The table below provides a high level summary of which Defence Strategic Outcomes contribute to the various Government of Canada Outcomes. Additional details on Defence's contributions can be found within [Canada's Performance](#) and the [2005-2006 Defence Departmental Performance Report](#).

Government of Canada Strategic Outcomes	National Defence's Strategic Outcomes		
	Canadian's Confidence that DND/CF has relevant and credible capacity to meet Defence and Security commitments	Success in assigned missions in contributing to domestic and international peace, security and stability	Good governance, Canadian identity and influence in a global community
Economic Affairs			
• Income security and employment for Canadians	■		
• An innovative and knowledge-based economy	■		■
• A clean and healthy environment	■		
Social Affairs			
• Healthy Canadians	■		
• Safe and Secure communities	■	■	■
• A diverse society that promotes linguistic duality and social inclusion	■		■
• A vibrant Canadian culture and heritage			■
International Affairs			
• A safe and secure world through international cooperation	■	■	■
• Global poverty reduction through sustainable development		■	
• A strong and mutually beneficial North American partnership	■	■	■
• A prosperous Canada through global commerce	■		
Government Affairs			■

Source: VCDS - Chief of Programme

Legend ■ = Primary ■ = Secondary



Overview of Financial and Human Resources by PAA

The following tables provide resource information at the program activity level, first at the Departmental level, then by program activity and strategic outcome.

Financial Resources

(\$ Thousands)	Forecast Spending 2006–2007	Planned Spending 2007–2008	Planned Spending 2008–2009	Planned Spending 2009–2010
Departmental Spending	15,910,854	17,845,445	18,862,816	19,047,833
Capital Spending	2,498,906	3,908,616	4,720,405	4,891,618

Source: Assistant Deputy Minister (Finance and Corporate Services)

Human Resources – Full Time Equivalents (FTEs)

	Forecast FTEs 2006–2007	Planned FTEs 2007–2008	Planned FTEs 2008–2009	Planned FTEs 2009–2010
Military (Regular Force) ¹	64,878	66,737	67,347	67,957
Civilian ²	24,400	25,000	25,000	25,000
Total	89,278	91,737	92,347	92,957

Source: Chief of Military Personnel and Assistant Deputy Minister – Human Resources (Civilian) and VCDS - Chief of Programme

Notes:

1. Current fiscal framework limits Regular Force expansion up to 68,000 Average Paid Strength. This strategic limit does not include personnel seconded to OGDs (approx 300 FTEs) and Project Management Personnel Resource paid under Vote 5 projects (approx 400 FTEs). FY 07/08 Average Paid Strength includes approx 1,200 Class “C” Reservists to augment operationally deployed forces.
2. Current fiscal framework will limit civilian Salary Wage Envelope to 25,000 FTEs equivalent. Such envelope does not include personnel seconded to OGDs, Project Management Personnel Resource paid by Vote 5 projects and ongoing/proposed initiatives to convert professional contractor support to Public Service members.

Program Activities by Strategic Outcomes

	Planned Spending			Contributes to the following priorities
	2007–2008	2008–2009	2009–2010	
Strategic Outcome and Expected results:	Canadians’ confidence that DND and the CF have relevant and credible capacity to meet defence and security commitments			
Generate and Sustain Integrated Forces	14,611,027	16,028,503	16,494,499	Priority No. 2 and 4*
Strategic Outcome and Expected results:	Success in assigned missions in contributing to domestic and international peace, security and stability			
Conduct Operations	2,286,490	1,849,781	1,550,751	Priority No. 1*
Strategic Outcome and Expected results:	Good governance, Canadian identity and influence in a global community			
Contribute to Canada and the International Community	947,928	984,532	1,002,583	Priority No. 3*

Source: Assistant Deputy Minister – Finance and Corporate Services and VCDS - Chief of Programme

* The Defence Priorities are described in detail on pages 8 and 9.



Defence Priorities

The Defence priorities focus on areas where additional effort will be directed over a fiscal year either to address a gap in capability or capacity, or to comply with broader government direction to increase activity. They help translate long and medium-term goals and objectives into short-term direction for action, while maintaining focus on the requirements of the current operating environment.

Defence priorities do not define mandates, duties or responsibilities. Rather, they identify the areas where Defence will increase emphasis or effort in the execution of its mandate. For each Defence priority listed here, the corresponding program under the Defence Program Activity Architecture is identified. The Defence Management Committee approved these priorities on November 3, 2006.



Relationship between Defence Priorities and Program Activities

The following “crosswalk” table was developed to show the relationship between Defence’s priorities and program activities. This link ensures that high-level performance measurement and resource information for Defence priorities and related initiatives is reported through the program activities.

	Program Activities				Type of Priority
	Generate and Sustain Integrated Forces	Conduct Operations	Contribute to Canada and the International Community		
Defence Priorities 2007-2008					
1. Conduct Operations					
a) Succeed with operations at home and abroad as part of a whole of government approach. For example:					
<ul style="list-style-type: none"> • Canada Command (Canada COM) is primarily concerned with planning domestic operations, including support to provincial and municipal authorities and interagency liaison. Memoranda of Understanding and interdepartmental contingency plans under development include one between Defence and the RCMP, and initiatives are under way to improve the co-ordination of CF support to civilian authorities with respect to major disaster response, especially firefighting; hurricane relief; chemical, biological, radiological and nuclear (CBRN) response; and pandemic diseases, especially influenza. • Internationally the CF will support Canada’s commitments to NATO and the U.N. by making maritime, land and air forces available to respond rapidly to international emergencies and other security challenges. 		■	■	○	
b) Enhance force protection through fostering a culture of risk management while shaping the environment with enablers. For example:					
<ul style="list-style-type: none"> • The Medium- to Heavy-Lift Helicopter Project, which received preliminary project approval from Treasury Board on June 22, 2006, will provide the CF with rotary-wing aircraft capable of moving troops and equipment safely and effectively in low- to medium-threat environments in Canada and abroad. 	■	■	■		N



<p>c) Sustain the Generation of Operational Forces to meet international and domestic commitments.</p> <p>For example:</p> <ul style="list-style-type: none"> Examine the requirements to implement a CF Integrated Managed Readiness capability that includes the regular and reserve components of the navy, army, and air force to be capable of providing a disciplined, predictable framework for training, personnel employment and resource expenditure. 	■	■	■	○
<p>2. Grow the Regular and Reserve Forces to meet international and domestic commitments</p>				
<p>a) Defence will increase the size of the Regular and Reserve forces according to Government direction by focusing on enhancing key established capabilities, and by leveraging growth with internal reinvestment to building new capabilities that deliver the operational effect necessary to fulfill the “Canada First” defence strategy.</p>	■		■	○
<p>b) The Canadian Forces Recruiting Group is changing its organizational structure and streamlining its recruiting, processing and management processes to ensure that its resources are applied more effectively. These adjustments will make the recruiting system more responsive, and improve the level and quality of recruiters’ services both to applicants and the CF.</p>	■		■	○
<p>c) To bring critical military occupations up to strength, the CF offer an array of entry programs, subsidized education opportunities, signing bonuses, and occupational transfer opportunities for serving members. Furthermore, the number of component transfers between the Reserves and the Regular Force is increasing, and more officer candidates are being accepted through the direct-entry program. Without sufficient recruiting in certain critical military occupations, the CF will not be able to conduct operations with optimum effectiveness.</p>	■		■	○
<p>3. Implement the Government’s “Canada First” Defence strategy</p>				
<p>a) Move ahead with capital acquisition projects for a multi-role, combat-capable military, including the Joint Support Ship, tactical and strategic lift aircraft, medium- to heavy-lift helicopters, and logistics trucks.</p>	■		■	N
<p>b) Strengthen key multilateral and bilateral organization relationships through active participation within the United Nations, NATO and the North American Aerospace Defence Command.</p>	■		■	N
<p>4. Enhance program delivery and optimize resource utilization</p>				
<p>a) Implement resource acquisition reform to realize reductions in project expenditure authority cycles, increased capacity to pursue projects and accelerated procurement cycles.</p>	■		■	○
<p>Legend: ○ = Ongoing N = New ■ = Primary □ = Secondary</p> <p>Source: VCDS – Chief of Programme</p>				



Expenditure Management Review

This is the third year of scheduled reductions as Defence continues toward the goal of a steady-state reduction of \$203 million by fiscal 2009-2010, with the Expenditure Review Committee (ERC) target fiscal 2007-2008 representing \$143 million. The specific efficiencies have been assigned as follows:

(\$ millions)	2007-08	2009-10 (Steady-State)
PROGRAM EFFICIENCIES		
Reduce O&M and National Procurement Support to Air Assets	\$25.00	\$53.00
Canadian Parachute Centre	\$3.00	\$7.00
Reduce Light Armour Vehicles	\$7.00	\$7.00
Reduce Non-military Vehicles	\$7.00	\$7.00
Total	\$42.00	\$74.00
Corporate Efficiencies		
Reduce National Capital Region	\$42.32	\$52.39
MASOP	\$20.00	\$20.00
Reduce Support for IM/IT Corporate Information Systems	\$11.00	\$20.00
Reduce R&D	\$15.00	\$15.00
Reduction General and Administrative Support	\$13.00	\$7.00
Total	\$101.32	\$129.39
Target	\$101.00	\$129.00
Total ERC Target	\$143.00	\$203.00

Of note, approximately 22 percent (\$32 million) of the Reduce National Capital Region 2007-2008 total will be achieved by reducing the number of contractors working at DND, partly by hiring civilian employees. The application of the reductions ordered by the ERC in information technology infrastructure support provided by the Assistant Deputy Minister (Information Management) will total \$2 million this year and rise to \$20 million by fiscal 2009-2010. This final portion of the ERC will complete the Department's obligations to the ERC and achieve the full assignment of all targets up to and including steady-state fiscal 2009-2010. The department will continue to report annually on ERC until the steady-state reductions are in effect.

Link to TBS ERC website: http://www.tbs-sct.gc.ca/emis-sigd/FAQ_EMR_e.asp

The Defence Program Activity Architecture

The Program Activity Architecture in Context: Strategy Map

Treasury Board approved the new Management, Resources and Results Structure (MRRS) for Defence on August 30, 2005. In accordance with Treasury Board policy, the Defence MRRS consists of three elements: a Program Activity Architecture (PAA); clearly defined and measurable strategic outcomes; and a description of the current governance structure that outlines the department's decision-making mechanisms, responsibilities and accountabilities. These are described below.



The **three strategic outcomes** for Defence are as follows:

- Canadians' confidence that DND and the CF have relevant and credible capacity to meet defence and security commitments;
- Success in assigned missions in contributing to domestic and international peace, security and stability; and
- Good governance, Canadian identity and influence in the global community.

Each program comprises three levels: program activities, program sub-activities and program sub-sub-activities. The activities that make up each program are causally linked to produce the program's predominant output, and each program output contributes or leads to a strategic outcome.

A parallel but separate construct, Executive and Corporate Services, provides a place to list the organizational entities, such as finance and information management, that do not directly produce program outputs, but support and provide coherence to all program activity. The costs of Executive and Corporate Services activities are distributed across the three programs according to a pro-rated formula.

The PAA structure is distinct from the organizational and financial structure of Defence and the Canadian Forces under the Assistant Deputy Ministers and the Environmental Chiefs of Staff, each a "Level One". An electronic interface links the organization identification numbers and the associated financial tracking system consisting of fund centres and cost centres. There are also separately tracked Work Breakdown System accounts, for each Level One organization with the PAA at the program sub-sub-activity level.

The **governance structure** of the MRRS outlines the decision-making mechanisms, responsibilities and accountabilities of Defence. It consists of the following:

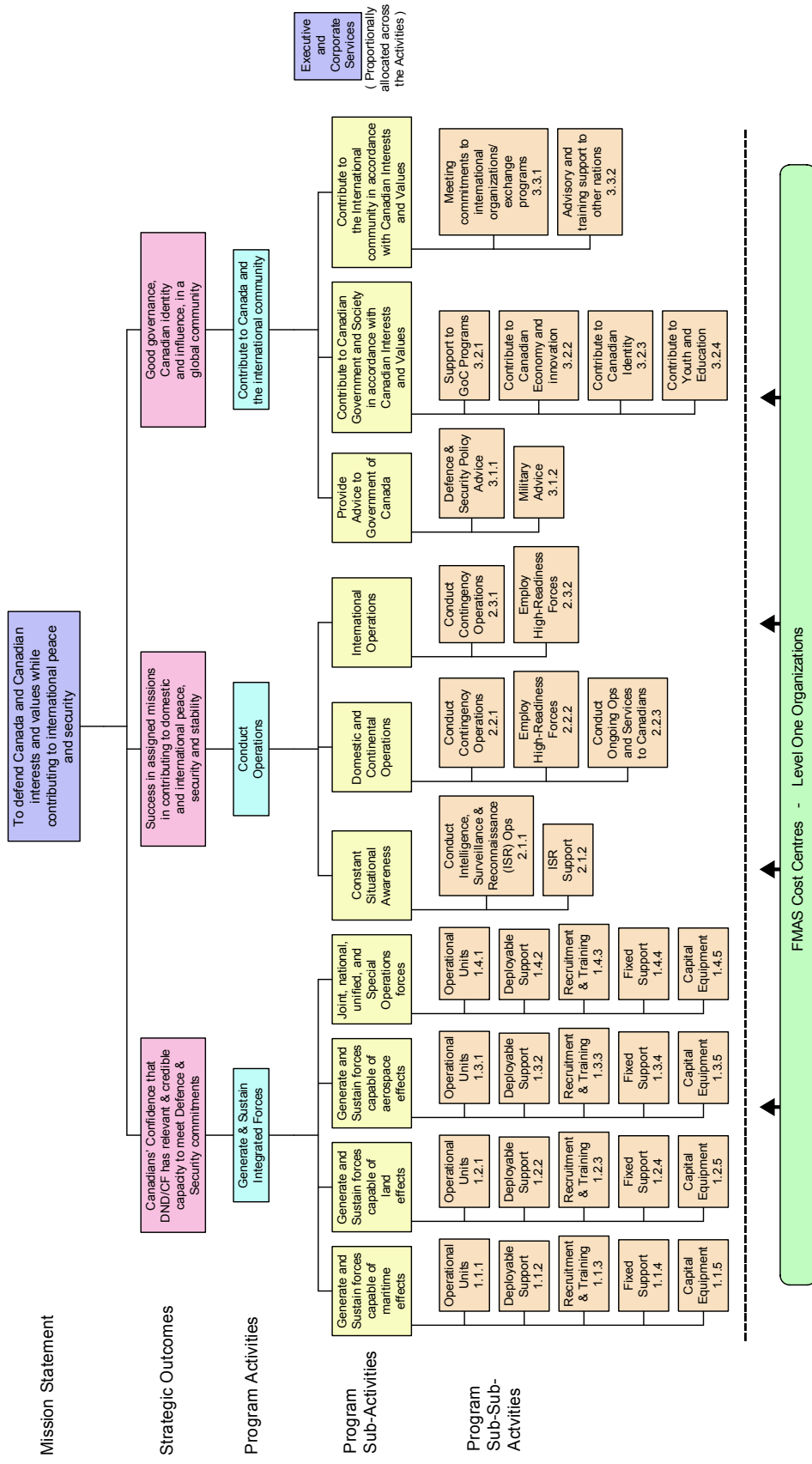
- a corporate governance structure operating department-wide at the highest level to provide strategic, resource and management direction, decision-making and accountability for the whole institution and its programs;
- a governance structure for each program activity to guide program development and effectiveness, provide advice on the key contributing processes, and ensure accountability for program outcomes and results; and
- a process and functional governance structure for the overall business model, with its major processes and functional activities, to ensure effective process and functional management, functional policy alignment, and integration of each process to the whole business model.

Defence uses the MRRS to underpin departmental planning, management of the Defence Plan, resource planning and management, and performance monitoring and reporting, especially external reporting. Section II of this report provides an analysis of planned program activities by strategic outcome. As part of the full implementation of the MRRS policy, Defence will develop and implement a plan to be able to meet the requirements of steps 1-5 as laid out within the Treasury Board Secretariat call-letter dated 14 December 2006.



The following chart summarizes the structure of the Defence PAA.

Department of National Defence - Program Activity Architecture (PAA)





Link between PAA and Performance Management

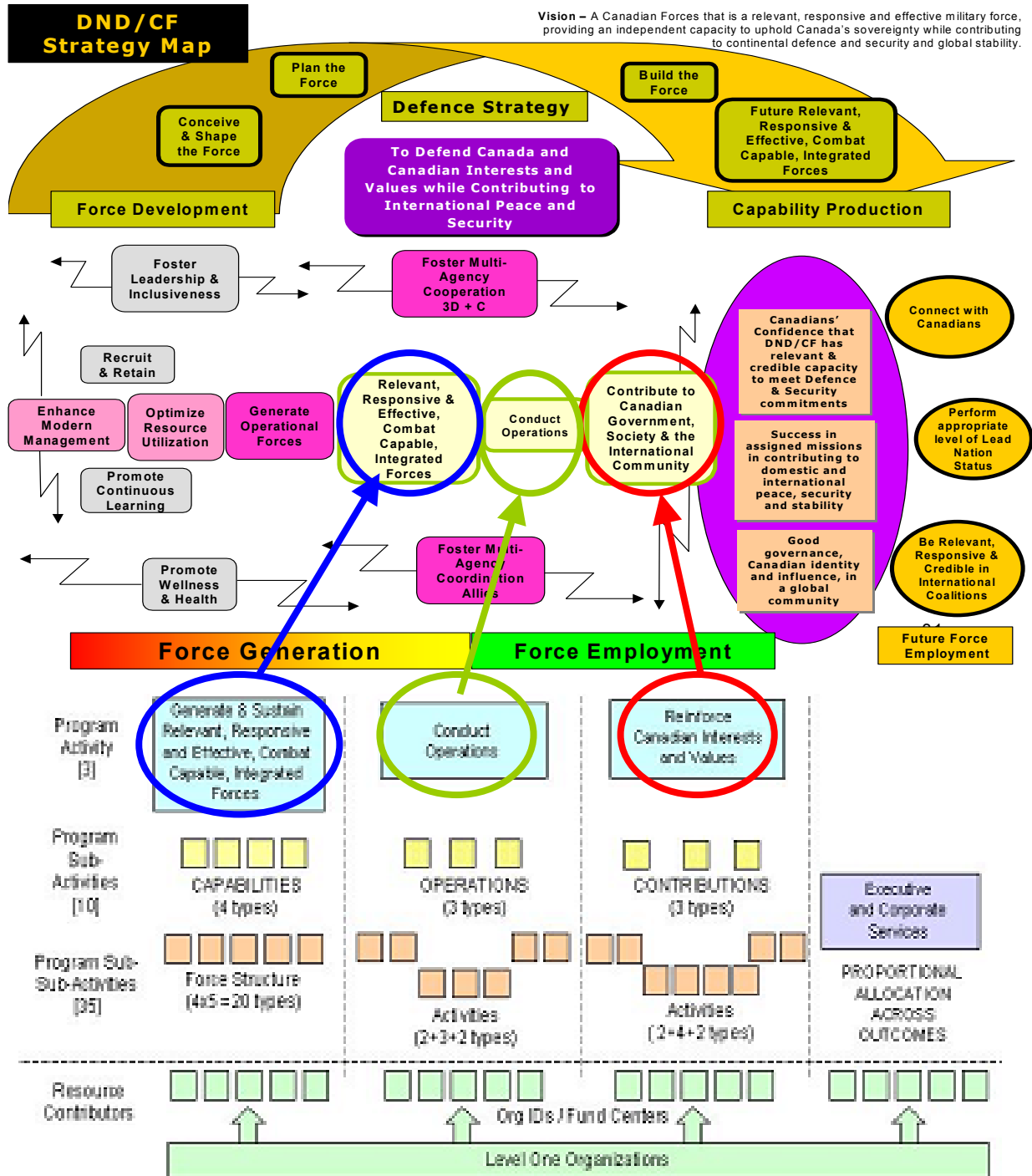
As part of the Performance Management Framework in Defence, the Strategy Map for the organization at the level of the Deputy Minister and the Chief of the Defence Staff provides the senior leadership a system for tracking, analyzing and effecting departmental performance by translating the departmental mission and vision statements into causally linked strategic objectives. The Strategy Map sets out strategic themes across different perspectives, using a modified version of the Balanced Scorecard approach to performance management. For further information on the Balanced Scorecard, visit

http://www.vcds.forces.ca/dgsp/pubs/dp_m/pm/intro_e.asp#3

The strategic objectives drive success in the three main outputs of the Defence PAA that lead to the achievement of the strategic outcomes and the mission. Indicators and measures are being developed for each strategic objective. This developing framework gives Defence an internal picture of performance, and will be used to inform external audiences about the progress Defence is making toward its PAA outputs and outcomes. Defence is also taking steps to align its performance management framework with other government reporting requirements, including the Management Accountability Framework and the PAA. Appendix C provides a description of the strategic themes and objectives.



DND/CF Strategy Map



Vision – A Canadian Forces that is a relevant, responsive and effective military force, providing an independent capacity to uphold Canada's sovereignty while contributing to continental defence and security and global stability.



Planning Context

Canada First Defence Strategy (CFDS)

Defence is currently developing a document to formalize the CFDS, which re-affirms the three traditional roles of the Canadian Forces - protecting Canada and Canadians, defending North America in cooperation with the US, and defending Canadian interests abroad - and the need for a multi-role, combat capable military. The CFDS document is expected to be released in the coming months and will provide detailed guidance on the roles and missions of the Canadian Forces and long-term capital equipment priorities.

However, since conducting successful operations remains Defence's top priority, it will be critical to ensure that current CF activity levels can be sustained, even as the Forces are expanded and transformed. This will require balanced investment across all components of the Defence Services Program. As a result, the plans for CF expansion and certain procurement initiatives have been amended since RPP 2006-2007.

To ensure activity levels will be sustained throughout CF Expansion and Transformation phases, it is critical that a balanced investment be maintained in all components of the Defence Services Program (eg. Human Resources, Equipment and Infrastructure), resulting in the need to reprofile certain CF Expansion and Capital Acquisition initiatives.

Transformation

The Canadian Forces Transformation, initiated in 2005, has converged with the evolving CFDS and the Accountability Act to be a major influencer of the Department's plans for the next years. Of the many activities intended to result in a Transformation of the CF, the creation of separated strategic and operational levels of command for operations and the redesign of the Department's governance construct are expected to have the greatest impacts in the next couple of years. The strategic-level of command will increasingly involve in and lead the operating strategy of the CF while the operational level of command - the level of command that employs forces to attain strategic objectives in a theatre or area of operations through the design, organization, and conduct of campaigns and major operations – will set the conditions for greater tactical decisiveness and operational responsiveness. This separation of the levels of command also brings greater visibility and accountability to decisions and mission assignments.

Defence Plan (DP)

The DP will continue to evolve to reflect planned CF Transformation activities and prepare for alignment with the goals and milestones of the CFDS. The advent of accrual budgeting for Defence allocations within Federal Budgets 2005 and 2006 has changed the way those resources will be planned and managed within the DP, and in particular within the Capital Equipment and Capital Infrastructure budgets. Early analysis has indicated that the DP, while continuing to provide specific direction and resources for current year management, should evolve to display a longer, multi-year investment plan for allocations to Level One organizations' and Corporate accounts. This approach would achieve better visibility and linkage between CFDS guidance and the strategic allocation of the resources to achieve the multi-year Defence Services Programme. As well, it



would better satisfy Treasury Board Secretariat requirements regarding linkages between major strategic investments and stated policy objectives.

Impact of Operations

Success in Canadian Forces' operations will remain the paramount strategic outcome for Defence Planning and Management activities in the near term. Resource planning and decision making will continue to focus on those activities and investments which enable and support Canadian Forces commanders and their missions both abroad and at home. In-year management decisions will continue to address fluctuations in estimated costs and/or evolving operational requirements through the sourcing and reallocation of operating and capital funds. This process, while ensuring direct support costs of operations are fully funded, increases the risk of the Department inadequately addressing longer-term sustainability issues during the one-to-five year planning horizon.

Expand and Transform the CF

Force Employment

In its 2006 federal budget, the Government of Canada announced its intention to increase the strength of the Canadian Forces. Defence will focus this growth by enhancing key established capabilities, and by leveraging growth with internal reinvestment to build new capabilities that deliver the operational effect necessary to fulfill the government's "Canada First" defence strategy. The pace and scope of force expansion will be determined by the human and financial resources made available for this initiative.

Planning for the expansion is now under way, and growth will be tightly programmed to ensure the delivery of robust capabilities. Personnel demands not programmed in the planned ceiling will continue to require commensurate offsets.

Attracting, enrolling and training enough good recruits is of paramount importance to complete the expansion and regeneration of the CF while maintaining the current operational tempo. Expanding the CF will require careful management of priorities and considerable effort by all members of the Defence Team.

The prevailing security environment also requires the CF to develop and maintain integrated, multi-role, combat-capable defence forces that are increasingly interoperable with allied nations and other security partners. The "joint" approach to operations has become more important as the CF focus on domestic defence issues including Arctic sovereignty and surveillance, continental defence and international operations, particularly in the context of failed and failing states. To achieve this vision, the CF will continue to transform their structure, processes and capabilities to ensure relevance, responsiveness and effectiveness at home and abroad, today and in the future.

Force Planning

The development of defence capabilities is complex and multi-dimensional. When planning and acquiring capabilities, the CF must predict Canada's strategic circumstances over several decades, and determine the situations ("scenarios") in which a military



response might be required. The CF continue to plan and develop capabilities that will support operations in the areas of command and control; intelligence, surveillance and reconnaissance; force protection; chemical, biological, radiological and nuclear (CBRN) defence; and space based capabilities. Future security environment and strategic operating concepts analysis will continue to be used, in conjunction with approved classified scenarios, to help detail how the CF will operate as an integrated team.

New Capability Based Planning (CBP) and Capability Management (CM) processes will be further institutionalized to bring greater coherence to CF force development. Concurrently, the CF will work closely with key stakeholders to address the ends, ways and means required for the Forces to become the integrated, multi-role military consistent with government priorities.

The creation of CANOSCOM in 2006 provided the CF with a single entity charged with bridging the gap between Canada and Canadian Forces employed in operations on other continents. Using research accumulated over the past three years, in 2007–2008 CANOSCOM will continue to experiment with different options to project operational sustainment into non-traditional theatres of operation on different continents. Armed with this analysis, CANOSCOM will offer options for maintaining simultaneous CF operations in two overseas theatres for implementation in 2008. This work will consider not just the fighting forces but options for contributing to a “whole of government” mission in which the CF are part of a multi-disciplinary Canadian effort to stabilize and assist a nation or region in crisis. The key to this effort will be providing the army, navy and air force with new operational support capabilities through a Canadian Forces Joint Operational Support Project that will identify and correct shortfalls in the current capacity of the CF in these areas.

As part of the effort to sustain CF task forces overseas while maintaining the capability to respond to domestic crises, during fiscal 2007–2008 CANOSCOM will develop a new situational-awareness capability to identify the flow of CF materiel and personnel in near-real-time, both in Canada and around the world. Called a Recognized Support Picture, this tool will permit decision-makers at all levels to see the materiel demands of ongoing operations, and the movement of assets to meet those demands. The Recognized Support Picture will highlight areas of potential shortage so decision-makers can adjust the tempo of operations or the flow of support proactively, according to need. The ability to match the needs of deployed task forces with the support stream will give commanders more freedom to innovate and adjust their plans.

The Recognized Support Picture uses data from an automated asset tracking system that is compatible with Canada’s allies and provides the near real time updates that commanders require. The radio frequency identification (RFID) adopted for the 2006 troop rotations to Afghanistan was essential to this new capability.

Defence Intelligence

It is the mandate of the Defence Intelligence function to provide credible, reliable and sustained intelligence services to DND and the CF in support of decision-making and military operations; to support other government departments in the defence and security of Canada; and to build relationships and work with allies in support of mutual defence and security issues. In accordance with direction from the Chief of the Defence Staff



(CDS) and the Deputy Minister, the intelligence function at Defence continues to transform into a fully integrated DND/CF capability under the Chief of Defence Intelligence (CDI), linked by a fully interoperable secure information infrastructure founded on common software applications and compatible information systems.

Under the authority of Chief Defence Intelligence, Defence Intelligence must also seamlessly integrate tactical, operational and strategic capabilities with service-specific, joint, national and international data and products. All components of Defence Intelligence will function within a coherent framework that:

- gathers and prioritizes requirements from the DND/CF client base;
- tasks the most appropriate collection and production assets from across the breadth of the CF and partners' assets; and
- delivers the right product to the right decision-maker at the right time and in the right format.

The civilian and military work force of Defence Intelligence will be developed and nurtured through a common strategic training and education regime.

CDI will continue to work within the realigned CF force structure to provide effective intelligence support to CF operations; in particular, strategic intelligence threat assessments and associated scientific and technical analyses will be undertaken to support force-development activities. At the same time, CDI will enhance intelligence operational support capabilities through the standardization and modularization of deployable all-source intelligence centres designed to function in a joint and combined operational environment at threat levels ranging from low to high. It will also strive to ensure that all defence intelligence capabilities are sustainable and effectively trained.

CDI will develop a long-term intelligence research and development program that capitalizes on emerging technologies, and collaborates with national and international allies to ensure that Canada's capabilities are both current and effective.



Section II: Analysis of Program Activities by Strategic Outcomes

Defence plans and priorities for fiscal 2007–2008 include ensuring the efficient conduct of current and future operations, recruiting and training personnel to expand the Regular Force and the Reserves, implementing the government’s “Canada First” defence strategy, enhancing program delivery to deliver major capital projects as quickly and cost-effectively as possible, and optimizing the utilization of resources.

Generate and Sustain Integrated Forces

Strategic Outcome: Canadians’ confidence that DND and the CF have relevant and credible capacity to meet defence and security commitments.

Program Activity: Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces — Total Spending Net of Revenues				
Resources	Forecast Spending 2006–2007	Planned Spending 2007–2008	Planned Spending 2008–2009	Planned Spending 2009–2010
Departmental Spending (\$ Thousands)	12,568,735	14,611,027	16,028,503	16,494,499
Capital Spending (\$ Thousands) (included in departmental spending)	2,256,142	3,685,877	4,514,658	4,720,356

Source: Assistant Deputy Minister - Finance and Corporate Services

The focus of the first program activity is to measure the ability of Defence’s high-readiness forces to meet defence and security commitments. Its scope encompasses all aspects from creating a responsive organizational structure, through recruiting military and civilian personnel and equipping forces, to training forces for operations. It supports the corporate priority of transformation and modernization of the CF.

This program activity comprises four program sub-activities that sustain the anticipated operational tempo for both planned and contingency operations at appropriate readiness levels and generate surge forces to meet unexpected demands. The four program sub-activities supporting the “Generate and Sustain Relevant, Responsive, Effective Combat-Capable, Integrated Forces” activity are:

- Generate and Sustain Integrated, Operational Forces Capable of Maritime Effects
- Generate and Sustain Integrated, Operational Forces Capable of Land Effects
- Generate and Sustain Integrated, Operational Forces Capable of Aerospace Effects
- Generate and Sustain Joint, National, Unified and Special Operations Forces



Generate and Sustain Forces Capable of Maritime Effects

The navy's mission is to generate and maintain combat-capable, multi-purpose maritime forces to meet Canada's defence capability requirements and assigned defence tasks. Canada's navy provides security to Canadians by safeguarding our maritime approaches and by contributing to international and domestic maritime security. The navy enables Canada to exercise sovereignty over our waters and protect our offshore natural resources. Abroad, the navy is a valuable instrument of Canada's foreign policy with the capacity to both advance and defend its interests while supporting Canada's diplomatic and development objectives.

The navy will maintain its current force structure and focus personnel and financial resources on high-priority sustainment activities, especially generating the high-readiness units required for the Contingency High-Readiness Task Group and international deployments.

The navy will implement the Maritime Readiness and Sustainment Policy to generate a Composite Contingency Task Group of four high-readiness ships (two on each coast) and a National Task Group (one on each coast), consisting of two ships assigned to the Composite Contingency Task Group and two to three Standard Readiness (SR) ships.

The navy will support *Operation ALTAIR* and the Standing NATO Maritime Group (SNMG).

During fiscal 2007-2008, operations in home waters will require at least 225 to 275 frigate sea days (one "frigate sea day" being one day of operation at sea by one Halifax-class frigate). Fifty frigate sea days have been allocated to maritime security patrols to accomplish national security objectives. The current Memorandum of Understanding (MOU) between DND and the Department of Fisheries and Oceans (DFO) calls for 155 frigate sea days per year, and an option of up to 50 additional frigate sea days for the DFO "Increased presence" operations to control fishing by foreign vessels in the Northwest Atlantic Fisheries Organization (NAFO) Regulatory Area. Finally, the current MOU between DND and the Royal Canadian Mounted Police (RCMP) calls for up to 20 sea days per year, and the MOU includes a protocol for accommodating demand beyond this level.

Sustaining the navy's operational focus is fundamental to achieving the Maritime Command mission. The navy will continue to implement a Materiel Readiness Transition Plan to ensure that materiel support and its associated management structure are fully integrated into the naval Readiness and Sustainment framework. Revision of the Naval Materiel Support Planning process will continue to meet the needs of the new Readiness and Sustainment concept and to ensure that it is fully integrated into the Readiness and Sustainment Management Framework. The Readiness and Sustainment Management Framework and the Naval Materiel Support Planning process will be fully aligned by April 2008.

It is becoming crucial for Defence to modernize the naval fleet. The Single-Class Surface Combatant (SCSC) project, which will result in a warship to replace both the Iroquois-class destroyer and the Halifax-class frigate, must be firmly established to address the



fleet's obsolescence problem. The Joint Support Ship (JSS) project is critical to replacing the aging Auxiliary Oiler Replenisher with a more capable vessel providing both fleet and joint support. This project needs to continue definition with the objective for implementation approval no later than the end of 2008.

In accordance with government direction, the navy will also place high priority on conducting an initial options analysis on the development of an Arctic/coastal patrol capability. As further strategic direction is provided, resources will be reallocated to move ahead with detailed options analysis and initiatives.

Generate and Sustain Forces Capable of Land Effects

Land Forces Command (LFC) will generate and maintain combat effective, multipurpose land forces to meet Canada's defence objectives in accordance with the "whole of government" approach.

LFC will use the successes of today's army to revise its strategy and develop, generate and sustain the Canadian Forces for tomorrow's land operations. The revised strategic objectives will focus on institutional development, planning, and resource alignment through the Army Five-Year Plan and the Strategic Operations and Resource Direction in a unified framework that links ends to ways and means. This planning process will ensure that the army remains capable of responding to conventional and asymmetric threats both in Canada and abroad.

LFC will continue to produce a combat-effective, sustainable army that delivers focused, integrated land effects across the full spectrum of conflict, and that is strategically relevant, operationally responsive and tactically decisive. The four main themes of the LFC program, which directly contribute to the 2007–2008 Defence Priorities, are:

- Sustainable provision of effective land forces for domestic and international operations;
- Expansion of Regular Force by 814 person years (PY) to an establishment strength of 20,765 PY. Reserve Force will grow by approximately 650 soldiers to sustain an average paid strength of 17,300 PY.
- Land Forces Transformation within the framework of CF Transformation; and
- Sustainment of infrastructure and equipment.

Contributing to the CF Integrated Managed Readiness Plan, the Army Managed Readiness plan will continue to provide a disciplined, predictable framework for training, personnel employment and resource expenditure. The army's goal is to generate task forces for two simultaneous lines of operation, although sustaining the current level of operational commitment in Afghanistan until at least February 2009, will present significant personnel challenges. In fact, the current Land Forces commitment in Afghanistan means that Defence can sustain only one line of operation.

To meet the challenges of training an accelerating flow of new soldiers, LFC will enhance its training systems and develop initiatives to increase their capacity. The Training Capacity Enhancement Program and Individual Training Capacity Backfill will accomplish four primary objectives:



- expand the force;
- reduce the requirement to augment the training institutions with field-force³ personnel;
- reduce the demand for skills training at unit level; and
- add crucial realism to soldiers' training.

LFC's operational realities will force the army to move toward two mission streams based on combined arms teams. The integrated and complementary structures of the Regular and Reserve Forces permit the effort to be distributed as follows:

- expeditionary operations conducted by Regular Force formations augmented by the Reserve Force; and
- domestic operations conducted by Reserve Force formations augmented by the Regular Force.

Contributing to international security and stability, the Regular Force will be restructured into cohesive Affiliated Battle Groups⁴ operationally focused on mid-intensity, full-spectrum operations in failed and failing states. The initial trials with the first Affiliated Battle Group will begin during the fall of 2007, when the task force then deployed in Afghanistan returns. Force development work in support of a concept of territorial defence battalion groups regionally distributed across the country will lead to the establishment of initial cadres in six urban locations fiscal 2007-2008, with an expanded capability in fiscal 2008-2009. This initiative will support the Government of Canada's Canada First policy by creating a coordinated domestic response capability across the country.

Force protection will always be crucial to operational success. LFC will improve the protection of our soldiers on operations with leading-edge technology, fielding a new fleet of armoured patrol vehicles and improving the survivability of the deployed fleets.

Force sustainability will be achieved by balancing elements of the field force and the institutional army (command and control, training and support). Although improvements have been achieved through investment in factors such as infrastructure, garrison support and environmental oversight, sustainment of the entire institutional army is increasingly expensive and there are still sizeable gaps between the current state and the desired end state. LFC has reached the limit of its ability to generate flexibility through internal reprioritization of resources, and will require additional funding to sustain Land Forces responsibilities.

³ The "field force" consists of the combat arms, combat support, and combat service support elements from which deployable task forces are generated.

⁴ Affiliated Battle Groups will be organized, structure, equipped and trained as they will be employed on expeditionary operations. They will be composed of a mixture of light and LAV infantry companies, an armoured reconnaissance squadron, an engineer squadron, an artillery battery, military police and combat service support elements. The restructure of the Regular Force, combined with equipment modernization, forms a cornerstone of institutional capability investments and is key to positioning the Land Force to meet its force generation and force employment requirements.



Working through the challenges posed by our level of commitment to operations that are increasingly complex, LFC will continue to act as the CF centre of excellence for land-centric capabilities, at both the operational and tactical levels, in order to shape CF force development and force generation within a modern CF force-employment concept. Since land operations are not limited to Land Forces personnel, the CF as a whole must continue to work toward achieving a higher standard of interoperability and training validation.

To this end, the Army Learning Process provides a mechanism for achieving institutional change based on valuable observations and recommendations from operations. Defence will benefit from the Land Force operational experiences, both positive and negative, that enable rapid adaptation to the challenges of today's ever-evolving operating environment.⁵

Generate and Sustain Forces Capable of Aerospace Effects

The CF vision is enabled by aerospace power and embodied in the strategy and transformation of the Canadian air force. Canada needs a multi-role, combat-capable air force to defend our sovereignty, control our airspace, provide surveillance of our vast territory, respond to domestic emergencies, provide protection to North American aerospace and contribute to integrated Canadian Forces operations abroad. For the coming year and beyond, much effort will focus on planning for the arrival and integration of new aircraft. The air force will be pursuing an aggressive schedule of recapitalization and development of new capabilities during a period of high operational and personnel tempo and at a time when the trained effective strength of air force-specific military occupations is below required levels.

To recover the health of under-strength occupations and to generate and sustain forces capable of aerospace effects, the air force will increase intake in certain occupations, increase investment in air force training establishments to meet higher production requirements, and continue to explore innovative, affordable intake and training opportunities. Improved re-enrolment and component-transfer processes will also be explored with the appropriate departmental stakeholders; for example, a Tiger Team has been created to develop an air force personnel strategic plan. The effect to be achieved is the timely delivery of highly capable, well-motivated, professionally trained and educated airmen and airwomen to the right place at the right time to conduct aerospace operations in support of the Canadian Forces mission.

The air force will continue to generate and deliver aerospace power to the CF by delivering accurate combat firepower and acting as a deterrent in engagements. The modernized, multi-role capability of the CF-18 Hornet fighter aircraft armed with precision-guided munitions will protect Canadian troops. The air force will also conduct Intelligence, Surveillance and Reconnaissance (ISR) through the co-ordinated employment of unmanned aerial vehicles (UAVs) and modernized CP-140 Aurora long-

⁵ The “operating environment” is the combination of operational and tactical circumstances in which the Land Force is expected live, move and fight, and it exists on both the physical and moral planes. The contemporary operating environment is a complex battlespace with a mix of geographical, environmental and human factors that significantly complicates the conduct of operations.



range patrol aircraft, and will provide airlift mobility with CC-130 Hercules tactical transports, CH-146 Griffon tactical helicopters, and CC-150 Polaris strategic transports. Airlift mobility will be enhanced over the next few years with the announced acquisitions of new medium- to heavy-lift helicopters, and new tactical and strategic transport aircraft. Delivery of the first two C-17 GlobeMaster III aircraft is planned for August 2007, with the last two of these aircraft to be delivered by April 2008.

To make rapid capability development possible, the air force has created the Canadian Forces Aerospace Warfare Centre as an important means to achieve air force transformation. They will work closely with other centres and deployed forces to develop aerospace power doctrine, explore new concepts, and make best use of lessons learned to improve aerospace power. The air force will also employ new technologies, such as satellites, to deal with asymmetric threats and for beyond-line-of-sight communications.

The air force is transforming into an expeditionary air force to better respond to the force employment requirements of Commanders Canada COM, CEFCOM, CANSOFCOM and CANOSCOM, and will continue to participate in operations, both at home and abroad. It will provide this capability, fully integrated with the other components of the CF, in combination with allied and coalition forces and/or with partners in Canadian government organizations and other agencies. In addition, the air force will formalize the composition of its contribution to deployed operations under the Expeditionary Air Force construct composed of Air Expeditionary Units (AEU).

The Combined Forces Air Component Command (CFACC) will force generate Air Expeditionary Units (AEUs) consisting of a command and control element, Tactical Self-Sufficient Units (TSSUs) delivering air power, a Mission Support Squadron (MSS) delivering integral and close support, and an Operational Support Squadron delivering operational oversight and force protection. TSSUs will be formed based on delivering one or more capability packages to contribute to the following aerospace lines of operations: Aerospace Control and Strike (CF188 Hornets); tactical helicopters will be replaced by future medium- to heavy-lift helicopters; Airmobility (CC177 Globemaster III, CC150 Airbus, CC130 Hercules); and Intelligence Surveillance and Reconnaissance (CP140 Aurora and future UAVs). In addition, other AEUs may be used to project aerospace power for a mission-specific task force. These task forces will be employed within the Canadian Expeditionary Force Command.

Building on experience gained in 2004 through the operational employment of tactical UAVs in Afghanistan, the air force will increase the use and expand the roles of that capability. New technologies have improved UAVs to a point where Defence can use their capabilities to complement existing surveillance platforms to provide improved ISR. Automated target recognition software will assist UAV operators as they cue other platforms, such as the modernized Aurora long-range patrol aircraft. The air force will continue to investigate other surveillance technologies, including enhancements to the North Warning System and the replacement of the obsolete Tactical Control Radars.



Joint, National, Unified and Special Operations Forces

The Canadian Forces Joint Headquarters (CF JHQ) will continue to serve as the deployable element of CEFCOM by providing an integrated, standing, high readiness and rapidly deployable command and control asset, that plans, reconnoitres and executes CEFCOM tasks utilizing Environmental Chief of Staff generated and assigned forces.

The Canadian Special Operations Forces Command (CANSOFCOM) will create a standing integrated force that generates a broad spectrum of agile special operations capabilities at high readiness. CANSOFCOM provides force elements, including trained civilians as well as military personnel, with the following capabilities: joint command and staff work, counter-terrorism operations, deployable command, control, communications, computers and intelligence (C4I) systems, geomatics, intelligence, counter-intelligence, military engineering, and space-based imaging operations. Its comprehensive and autonomous nature ensures that it can respond immediately to threats at home and abroad. CANSOFCOM can immediately integrate with key departments, operational commanders and allied forces, and its special operations forces can sense and engage threats effectively both at home and abroad. Constant situational awareness is maintained by embedding liaison officers not only with parallel CF organizations but also with the armed forces of Canada's allies.

The Nuclear, Biological and Chemical (NBC) Defence Company is expanding, and will be given the facilities it needs to provide the Government of Canada with the expertise and equipment to counter NBC threats domestically and internationally. CANSOFCOM will continue to develop the Canadian Special Operations Regiment and Joint Task Force 2, and will thus realize the vision of highly effective, responsive and agile special operations forces to counter terrorist, NBC and other threats to Canadians and Canadian interests wherever they may be.

To expand its support to deployed operations, CANSOFCOM will develop an ability to deploy high-readiness interoperable, combined and joint special operations forces, and continue to develop programs and initiatives to improve the provision of direct support to operations.

The air force will continue to maintain the capability to provide aerospace forces for contingency operations, including tactical fighter aircraft, tactical transport aircraft, tactical aviation, maritime helicopter and maritime patrol aircraft.

The SJS will determine, in consultation and coordination with Canada Command, VCDS, and the force generators, the activity levels (sea days, etc, and associated readiness states) that will be made available to Canada Command for tasking and deployment, for both international and domestic operations. These readiness levels and their associated forces will serve as initial planning guidance and will form the basis for revised tasks in the Defence Plan 07.



Long-Term Strategic Plan for Joint Collective Training

To maintain constant operational readiness of special force elements, the CF will develop the necessary training and force generation expertise and capacity to sustain special forces in the most effective and efficient manner. Training will be monitored and standards measured in order to maintain high standards and to ensure appropriate accountability. Likewise, expertise related to Chemical, Radiological, Biological and Nuclear (CRBN) operations needs appropriate force generation capacity and accountability.

The Strategic Joint Staff has formed a Directorate of Training and Lessons Learned with the following core functions:

- synchronization and integration of joint and interagency training;
- design, development and conduct of exercises that involve strategic planning and crisis action planning; and
- management of the Strategic Exercise and Experimentation Reserve (SEER) to support joint and interagency collective training.

The following products have been generated in support of these objectives:

- The CF Integrated Training Plan (CF ITP) 2006, incorporating a long-range automated exercise schedule; and
- The CF Collective Training and Exercise Guidance 2006-2007, detailing specific collective training objectives and training guidance for the transformed CF command structure.

The following bodies support the development of the CF ITP:

- The CF ITP Working Group to conduct the detailed development of the ITP; and
- The CF Integrated Training Board to conduct a strategic review, editing and endorsement of the ITP and associated strategic guidance documents.

Military Human Resources

To meet military human resource requirements for operations and other defence tasks, the Canadian Forces recruits people from the civilian population; acknowledges and formally recognizes their previous training, education and documented work experience when appropriate; and gives them the training and development they need to become operationally functional. Bringing recruits to the point of operational employability involves a variety of training, experience and educational opportunities designed to increase their skills and knowledge in both the [profession of arms](#) and their specific occupation. Some military occupations require on-the-job training after formal training, while others require a formal, specified period of training consolidation and experience. It



can take up to seven years, for example, to train an officer to the operationally functional point.

Direct Support to Operations

From the military human resources perspective, direct operational support has two components: health services in the form of medical personnel and equipment, and personnel support in the form of morale and welfare programs for the members of deployed units.

Health Services

Medical personnel and equipment are provided to ensure that sick and injured CF members receive appropriate care as effectively and efficiently as possible. Treatment is delivered as early in the evacuation chain as possible, and patients are evacuated only as far back in the chain as is absolutely necessary.

Shortages of military medical personnel have a direct impact on the ability of the CF to maintain in-theatre care for long periods. The Canadian Forces Health Services Group, which is the designated health-care provider for Canada's military personnel, is currently responsible for the field hospital at Kandahar Airfield in Afghanistan. The Canadian Forces Health Services Group must, therefore, generate enough deployable personnel to sustain the medical element in Afghanistan in support of Canadian Forces troops.

The short-term solution is to hire more civilian medical personnel on contract for in-garrison support and thus permit the maximum number of CF medical personnel to be deployed, and to deploy civilian medical professionals into operational theatres for short periods to augment medical capability. In the longer term, the [Rx 2000](#) project is addressing this issue through its attraction and retention initiative. Other efforts include broadening the eligibility criteria for the Military Medical Training Plan and working with the Canadian Medical Association to recruit foreign-trained doctors who can meet Canadian medical qualifications within a year or two.

Morale and Welfare Programs

Morale and welfare programs for deployed forces are delivered by the [Canadian Forces Personnel Support Agency](#) (CFPSA) usually through the provision of amenities such as newspapers, magazines and DVDs. Task Force Afghanistan is an exception, and for that mission CFPSA conducts an active morale and welfare program with about 60 specially trained staff deployed to the theatre of operations. In addition to the usual amenities, in Afghanistan CFPSA provides fitness and recreation programs, travel services and retail outlets.

Force Expansion

Recruiting

The Canadian Forces continue to build and sustain training capacity to meet the requirements of force expansion. The Canadian Forces Recruiting Group is changing its organizational structure and streamlining its recruiting, processing and management processes to ensure that its resources are applied more effectively. These adjustments will make the recruiting system more responsive, and improve the level and quality of



recruiters' services both to applicants and the CF. Initiatives planned for fiscal 2007–2008 include:

- Development of performance measures for candidate attraction;
- Implementation of a monitoring system to keep track of applicants and ensure timely processing of documents;
- Establishment of a permanent Recruiting Training Centre to give recruiters the knowledge and skills they need to attract and select suitable candidates;
- Implementation of central management of e-mail and telephone contacts with prospective applicants;
- Implementation of a pilot “hub and spoke” project at the Winnipeg Recruiting Centre with several CF Recruiting Teams made up of mobile teams augmented by small storefront locations; and
- Contracting out part of the reliability screening to speed up processing of applications.

Training

The recruit's first stop in the CF training and education system is the Canadian Forces Leadership and Recruit School (CFLRS), which has received the resources required to conduct basic military qualification training in accordance with the Strategic Intake Plan for fiscal 2007–2008. After basic military qualification training, recruits advance to military occupation training and common professional development. Several current initiatives that assist in meeting expanded production targets will be continued in fiscal 2007–2008:

- Augmentation of training cadres through employment of Reservists and, where appropriate, outsourcing to civilian training providers;
- Use of distributed learning, including courses that combine residential and distance learning to increase training with minimal infrastructure, expand throughput, and reduce time away from home;
- Evaluation of course content against operational needs to ensure that only essential training and education is delivered; and
- Implementation of the Military Civilian Training Accreditation Program to facilitate the transfer of credits from civilian to military schools, and recognition of civilian qualifications and thus reduce military training costs and encourage CF members to direct more of their own personal and professional development.

Although the resources are in place to recruit and train the high influx of recruits expected during fiscal 2007–2008, force expansion still faces risk in two areas:

- ability to address shortages in critical military occupations; and
- lack of flexibility to program training flow.



Critical military occupations

Despite numerous recruiting and retention efforts, several military occupations are still critically short of personnel. For a variety of reasons, recruiting and retention in some of these military occupations will remain problematic for some time. While the pool of potential applicants to the CF is growing, so is the range of job opportunities available to each person in that pool. The resulting stiff competition for human resources is exacerbated for some occupational groups by the high academic and medical standards of the CF, and shortages of certain skill sets in Canadian society.

To bring these critical military occupations up to strength, the Canadian Forces offer an array of entry programs, subsidized education opportunities, signing bonuses, and occupational transfer opportunities for serving members. Furthermore, the number of component transfers between the Reserves and the Regular Force is increasing, and more officer candidates are being accepted through the direct-entry program. The recruiting effort targeting physicians and pharmacists is a good example of these efforts; experienced recruiting officers work full-time on these occupations with help from serving CF health professionals. The recruiters approach practising doctors and pharmacists as well as students, interns and residents, offering incentives such as subsidized education for those still in school and signing bonuses for licensed professionals.

Intake estimates indicate that current recruiting programs will not be enough to bring many critical military occupations up to strength within two years. Without sufficient recruiting in certain critical military occupations, the Canadian Forces will not be able to conduct operations with optimum effectiveness.

Programming training flow

The Canadian Forces' real-time recruiting approach has a direct effect on the flow of the training program. Some years ago, the system changed from "just-in-time" recruiting, in which applicants were enrolled just before their course started, to "real-time" recruiting, in which applicants are enrolled as soon as possible to prevent loss of qualified candidates during the lag between completion of the recruiting process and the enrolment offer. Real-time recruiting brings the applicants into the CF, but it does not produce what the training system needs to operate efficiently: a flow of recruits programmed to arrive at training and education establishments for basic military qualification and occupational training when the schools are ready to receive them. The schools have capacity constraints, such as availability of suitable instructors, and infrastructure limitations, such as the availability of classrooms, laboratories, simulators, ranges and training areas.

The result of real-time recruiting is a backlog of personnel awaiting training (PAT)s who must wait until their schools accumulate enough students to run the course they need. All efforts are made to reduce the time they spend waiting, including the conduct of some courses below minimum student load or sending students on other courses they need in the meantime. The Post-Recruit Employment and Training Centre, which temporarily assigns PATs to bases and wings across Canada, allows the schools to focus on running courses and maximizes recruits' training and employment opportunities so they spend their time awaiting military occupational training much more productively.



The Chief of Military Personnel will monitor the risks associated with force expansion by tracking progress against the Strategic Intake Plan, the number of PATs and schools' capacity to deliver basic and advanced training, and adjust policies and programs accordingly.

Reserve Force

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

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

Primary Reserve

The role of the Primary Reserve is to augment, sustain and support deployed forces and, in some cases, perform tasks that are not performed by Regular Force members. The CF are continuing to explore ways to enhance the role of the Reserves in civil preparedness to respond to natural disasters and local emergencies.

The Primary Reserve structure includes the following:

a. Naval Reserve

The [Naval Reserve](#) provides highly trained, combat-capable sailors for the ships' companies of the navy's Kingston class maritime coastal defence vessels and for coastal operations. Coastal operations include roles distinct to the Naval Reserve, such as port security, and naval co-ordination and advice to shipping, as well as shared roles, such as mine countermeasures and intelligence. The total strength of the Naval Reserve stands at 4,250 of all ranks. Defence expects the Naval Reserve to reach its approved strength ceiling of 5,100 by 2015. The CF have invested in recruiting, training, long-term retention, leadership, management and public affairs initiatives for the Naval Reserve to ensure its long-term viability.

b. Army Reserve

Canada's [Army Reserve](#) (Militia) is organized in 130 units in 110 cities and towns across the country. The roles of the Army Reserve are to provide the framework to mobilize, augment and sustain the Regular Force and serve as a link between the military and civilian communities.

The Land Force Reserve Restructure (LFRR)'s mission is to develop an effective and credible Army Reserve that is complementary and supplementary to the Regular Force and relevant to the needs of the nation. LFRR is a two-phase process. While Phase 1 focused on stabilizing and testing new capabilities, Phase 2 will focus on change and growth. The CF plan is to increase the paid strength of the Army Reserve to 17,300 from its current strength of 16,650 by fiscal year 2007-2008. Expansion of Regular Force by



814 person years (PY) to an establishment strength of 20,765 PY. Reserve Force will grow by approximately 650 soldiers to sustain an average paid strength of 17,300 PY.

Within the context of the Army Strategy, both the Regular and the Reserve components will go through significant change in the upcoming year, to streamline and improve force generation. For the Army Reserve, this effort will significantly increase its force generation responsibilities, both in terms of depth (by providing reinforcement) and of breadth (by providing unique capabilities not available in the Regular component, such as chemical, biological, radiological and nuclear response; civil-military co-operation; and psychological operations). The CF will conduct an Army Reserve Establishment Review to allocate growth to areas where there is the greatest requirement.

c. Air Reserve

The [air force](#) has been an integral part of defence planning throughout the history of the air force. The air force has integrated the highly trained men and women of the Air Reserve into total force units with a single chain of command that supports all aspects of air force operations. Currently, the total strength of the Air Reserve stands at approximately 2,300 personnel in all ranks. The integrated air force structure means that air reservists are readily available for the day-to-day operation of the CF. Air Reserve members are now serving in many of the newly established command organizations, helping to ensure the effective integration of reservists into the new CF structure.

d. Communication Reserve

The [Communication Reserve](#) is mandated to generate forces and sustain combat-capable communication and information systems (CIS) elements and information operation support elements to augment deployed operations and strategic missions at home and abroad. The Communication Reserve is also providing CIS support to Army Reserve training activities. The Communication Reserve recently created a reserve Communications Research Operator occupation to better support CF EW/SIGINT operations. Occupational training began in 2006 at the CF School of Communications and Electronics at Canadian Forces Base (CFB) Kingston. Senior communications research personnel will be employed in key headquarters to provide continuing occupational oversight and guidance. The Communication Reserve will continue to focus on centralized training locations, currently CFB Kingston for occupational training and CFB Shilo for recruit and leadership training.

e. Health Services Reserve

The [Health Services Reserve](#) is heavily involved in both sustainment and the change agenda within the CF Health Services Group. The Health Services Reserve have been organized into two functional groups: Primary Reserve units known as Field Ambulance units, and the CF Health Services Primary Reserve List. Field Ambulance units train personnel to support, augment and sustain CF Health Services Group elements on operations, and to provide health services support to their affiliated Canadian Brigade Group. The members of the Health Services Reserve, primarily clinicians, augment a variety of Health Services organizations on operations and in clinics in Canada.



Priorities for the Health Services Reserve in fiscal 2007-2008 include:

- Prepare the plan to position the Health Services Reserve units and the Primary Reserve List to support the forthcoming changes that will arise out of the Canadian Forces Health Services Group Field Force Review. This will include changes to unit Organization and Establishment designed to amplify the Group's ability to meet its operational health services commitments for both domestic and international requirements; and
- Complete the Military Occupational Structure Analysis, Redesign and Tailoring (MOSART) process for the Health Services Reserve with the aim of enhancing the recruitment of clinicians with civilian skill sets thereby bringing a much greater depth to our support capability.

f. Judge Advocate General (JAG).

Reserve Force legal officers are held on the JAG Primary Reserve List (PRL). They are employed on “Class A” and “B” service conducting duties as military prosecutors, defending officers and military legal advisors to JAG clients. The JAG manages their careers.

The Environmental Chiefs of Staff (Maritime, Land and Air) command their respective Reserve elements, and the Assistant Deputy Minister (Information Management) controls the Communications Reserve. Reserve Health Services personnel are under the control of the Director General of Health Services.

A major challenge facing Defence continues to be to recruit a total of 10,000 new reservists as identified in Budget 2006. Senior representatives from the Primary Reserve are working with the Chief of the Defence Staff transformation team, ensuring that the Reserves are considered in every aspect of transformation.

Supplementary Reserve

The Supplementary Reserve is composed of personnel with previous military service who could be recalled for military service in an emergency. Members of the Supplementary Reserve may serve on a voluntary basis, but are not required to perform any duty or training except when placed on Active Service.

Cadet Instructor Cadre

The [Cadet Instructor](#) Cadre (CIC) is a sub-component of the Reserve Force, consisting of officers who have undertaken, by the terms of their enrolment, to perform such military duty and training as may be required of them. It consists of officers whose primary duty is the supervision, administration and training of [cadets](#) 12 to 18 years of age. They ensure the cadets' safety and welfare while developing in them the characteristics of leadership, citizenship, physical fitness and stimulating an interest in the CF.



Canadian Rangers

The [Canadian Rangers](#) provide a military presence in sparsely settled, northern, coastal and isolated areas of Canada that cannot be covered by other elements of the CF. Their main task is to assist in the maintenance of Canadian sovereignty. The objectives for fiscal year 2007–2008 include:

- conducting up to 30 Ranger Sovereignty Patrols during the year in accordance with the Joint Task Force North (JTFN) surveillance plan;
- standing up and maintaining the necessary equipment and support personnel to form the infrastructure of a JTFN rapid reaction capability in accordance with the Campaign Operation Plan. This structure must be capable of deploying within 24 hours of notification, and be sustainable for up to four days;
- conduct at least one enhanced sovereignty patrol to a vulnerable area of the Arctic Archipelago in accordance with the JTFN surveillance plan;
 - conducting North Warning System security patrols; and
 - given the appropriate personnel resources, raising the total number of Ranger patrols in the JTFN area of responsibility to 60 and Junior Canadian Ranger patrols to 34.

The following table identifies the planned increase in the Reserve Force for the next three years.

Reserve Planning Strength

	Actual 2006–2007	Planned 2007–2008	Planned 2008–2009	Planned 2009–2010
Primary Reserve¹	24,000	24,750	24,800	25,500
Suppl Res²	N/A	N/A	N/A	N/A
CIC	7,403	7,500	7,500	7,500
CA Rangers³	4,274	4,365	4,525	4,685
Total	35,677	36,615	36,825	37,685

Source: Vice-Chief of the Defence Staff – Chief of Programme

Notes:

1. Current fiscal framework allows CF to increase the Primary Reserve Average Paid Strength up to 26,000 by end of FY 11/12. Primary Reserve reporting, planning and allocations is based on an Average Paid Strength derived from monthly reports provided by DSFC/DFECS. FY 07/08 includes expansion target of 650 additional reservists allocated to Land Force Reserve Restructure initiative. Source Chief of Programme.
2. The strength of the supplementary Reserve cannot be planned with a reasonable degree of accuracy, since it is a holding list that varies significantly with attrition and transfers within the CF. Source CMP.
3. CA Rangers will be expanded up to 5,000 Average Paid Strength by end of FY 11/12. Source Chief of Programme.



Current Reserve Initiatives

- **Canadian Forces Liaison Council**

Currently, reservists make up 13% of DND's deployed strength abroad, including one in seven soldiers in Afghanistan. The CF Transformation and anticipated commitments in international operations suggest that this rate of reservists' participation in operations will be maintained, if not increased, under the new Integrated Managed Readiness System.

Because Canada has no legislated job protection for voluntary service, the 45% of reservists with civilian employment and the 40% of reservists who are students depend on the voluntary support of employers and educational institutions to carry out their military duties.

The Canadian Forces Liaison Council (CFLC) seeks to increase the support of organization leaders in Canada to enhance the availability of reservists for training and operations. Through sponsored military visits, local unit employer support events, professional and community organizations involvement and employer awards and recognition activities, the CFLC reaches a large number of employers and educational institutions on behalf of reservists in order to obtain a leave of absence from their employment or studies.

Civilian Human Resources

- Defence must attract and retain the number and mix of qualified civilian personnel it needs to support the CF. The Assistant Deputy Minister – Human Resources (Civilian) has identified the following challenges and priorities for fiscal 2007–2008:
 - Respond to CF needs, priorities and operational imperatives,
 - Optimize existing flexibilities for maximum efficiencies and return on investment (e.g. put the right person in the right place at the right time),
 - Aggressively pursue technological improvements that will optimize our workforce and streamline work processes,
 - Manage knowledge and professional development to ensure that Defence develops a versatile, innovative civilian workforce that positions the department for future change and challenges, and
 - Foster a healthy workplace that promotes equitable treatment and respect in a diverse, bilingual environment.

HR Processes and Service Delivery

Technology will continue to be the primary catalyst of rapid change and re-engineering of human resource business processes at DND. Opportunities for business transformation will flow from the departmental initiative to implement PeopleSoft version 8.9. These changes will enhance service delivery and facilitate new ways of doing business through such innovations as self-service arrangements for both managers and employees.



A 2003 Memorandum of Agreement between Treasury Board and bargaining agents outlines the allowances and benefits, payable to Public Servants deployed on CF operations outside Canada. The Assistant Deputy Minister – Human Resources (Civilian) (ADM(HR-Civ)) administers this benefit program and ensures deployed employees are compensated in accordance with applicable policies. As more Defence civilians are deployed on CF operations, ADM(HR-Civ) will administer the appropriate benefits equitably.

Workforce Renewal

Recruitment strategy

DND is responsible for managing a civilian workforce of the right size and mix of skills and diversity of backgrounds to achieve its mission of support to the CF.

ADM(HR-Civ) has developed a recruitment strategy that focuses on facilitating the intake of civilian employees to groups that are critically short of staff, such as Computer Systems (CS), General Labour (GL), Ship Repair (SR), Ship Operations (SO), Purchasing and Supply (PG) and Engineering (EN). This strategy takes a two-pronged approach that includes enhancing communications products and tools, and implementing an outreach program aligned to needs identified through HR planning.

Apprenticeship

A national apprenticeship framework is being developed to identify a consistent approach to hiring, training and compensating apprentices. The program will include the development of entry-level recruitment strategies, national outreach and collective staffing activities, defined trade-skills requirements from entry to graduation, and collective work descriptions for apprenticeship positions.

A project plan is currently being developed to implement the four recommendations identified in the Departmental Apprenticeship Study. Research is currently underway to examine current policies and practices across the federal government. The apprenticeship framework will be developed and implemented in stages, with full implementation by fiscal 2008–2009.

Retention strategy

ADM(HR-Civ) will use quantitative and qualitative analyses of the results of the 2005 Public Service Employee Survey, diversity climate surveys, and retention focus groups to identify retention issues, especially problems arising from workload and work-life balance, career development and learning, harassment, violence and discrimination, official languages, diversity and employment equity, labour-management relations, and employee engagement. The objective is to develop a horizontally oriented retention strategy.

Executive cadre management

ADM(HR-Civ) is responsible for the HR management of the Defence civilian executive cadre. This function includes the provision of national level HR planning, classification, resourcing, and performance management support services for the executive community.



The main challenge expected during fiscal 2007–2008 will be the approval and implementation of a community management framework for executives.

Knowledge Transfer and Professional Development

Treasury Board Policy on Learning, Training and Development

In its application of the Treasury Board policy on learning, training and professional development, ADM (HR-Civ) will emphasize continuous learning and the development of individual learning plans for each civilian employee of Defence. All training the policy identifies as “required” will be monitored and reported to the Public Service Human Resources Management Agency of Canada.

“Defence professionals”

It is increasingly evident that the size, scope and complexity of Defence present managers and executives with unique challenges that should be addressed through tailored professional development programs focussed on departmental priorities both at the executive level and among groups that feed the executive cadre. ADM(HR-Civ) will continue to elaborate the Defence Professional concept to include products, programs and frameworks designed to ensure a high standard of shared knowledge, skills and abilities among managers and executives.

Joint Military-Civilian Initiatives

Alternate Dispute Resolution

The aim of Alternate Dispute Resolution (ADR) training and services is to provide leaders at all levels with the skills required for dealing with complaints positively so they can be resolved as quickly as possible and at the lowest possible level. Retention of CF members and Defence civilians is strongly influenced by the methods used to resolve complaints. The forecast for fiscal 2007–2008 includes the following points.

- **Promotion of ADR:** The conduct of some 500 ADR briefings, meetings, presentations and kiosk information sessions;
- **Training in ADR:** The conduct of more than 500 training sessions using both the “Resolving Conflict Effectively” course and training tailored to specific needs; and
- **Interventions in ADR:** The conduct of more than 1,400 ADR consultations, conflict coaching sessions, mediations, facilitations, group-needs assessments, and group interventions.

Planned Capital Acquisition

Consistent with the “Canada First” defence strategy, the key focus in fiscal 2007-2008 will be investment in core capabilities to ensure that transformation and modernization of the CF continues at an accelerated pace. A long-term capital investment plan will follow in due course. In the interim, the many projects already in various stages of development are consistent with the direction to be set in the defence strategy. The following major projects, which indicate this direction, will be progressed during fiscal 2007-2008.



Joint Support Ship

This critical project will replace the aging Auxiliary Oiler Replenisher class with a vessel capable of supporting not only other ships, but also land and air forces operating from those ships. The Joint Support Ship Project, currently in the definition phase, will deliver the first of three multi-role vessels in 2012. The project is on schedule, and two industry teams are developing proposals for preliminary ship design, project implementation plans, and an in-service support plan. These plans will be evaluated, and the team that produces the better plan will be selected to execute the project. Formal effective project approval will be sought in 2008.

Airlift Capability Project - Strategic

The Airlift Capability Project - Strategic, which received effective project approval from Treasury Board on June 22, 2006, will provide the strategic (i.e., long-range) transport aircraft the Canadian Forces require for domestic and international operations. These “off-the-shelf” (i.e., commercially available) aircraft are intended to maximize CF strategic airlift and interoperability with Canada’s allies. It will be capable of flying into hostile environments and delivering cargo and personnel directly to operational theatres. Delivery of the first two aircraft is planned for August and October 2007 and the last two of these aircraft to be delivered by April 2008.

Airlift Capability Project - Tactical

The Airlift Capability Project - Tactical, which received preliminary project approval from Treasury Board on June 22, 2006, will provide the tactical transport aircraft the Canadian Forces require for domestic and international operations. These aircraft must be able to operate over hostile terrain anywhere in the world, flying in harsh weather from unpaved, blacked-out airfields with no support facilities. Seventeen aircraft that meet Canadian aviation certification standards by the contract award date are to be delivered within 60 months of contract award, and the first aircraft must be delivered within 36 months of contract award.

Medium- to Heavy-Lift Helicopter Project

The Medium- to Heavy-Lift Helicopter Project, which received preliminary project approval from Treasury Board on June 22, 2006, will provide the CF with rotary-wing aircraft capable of moving troops and equipment safely and effectively in low- to medium-threat environments in Canada and abroad. All 16 aircraft to be acquired under this contract must meet Canadian aviation certification standards by contract award date. The first aircraft must be delivered within 36 months of contract award, and the last aircraft must be delivered within 60 months of contract award.

Medium Support Vehicle System

The Medium Support Vehicle System (MSVS) project will replace the current in-service medium truck capability that has reached the end of its service life. This project will provide operational Army, Reserve, Air Force and Joint units with the capability of transporting combat troops, tactically transport cargo and equipment, and to perform various support functions (medical/dental, engine repair, communication equipment



repair, optics repair, weapons repair etc.). Up to 1,500 Standard Military Pattern vehicles, with 300 trailers and associated armour protection kits will be procured. An additional 800 Military Commercial Off-the-Shelf vehicles will also be acquired. The MSVS project received preliminary project approval from the Treasury Board on June 22, 2006. Now in its definition phase, it is anticipated that the project will receive effective project approval in fiscal 2007-2008 with contracts awarded to industry in the same year.

Integrated Command and Control System

A key part of CF Transformation, the Integrated Command and Control System (IC2S) Project will be the basis of the continued evolution of the CF from a platform-centric force to a force enabled by information superiority. The primary aim of the IC2S Project is to develop and implement a command and control information system for the entire CF that will permit effective conduct of all phases of operations in the global security environment of the future. To achieve this aim, the IC2S Project will achieve the following objectives:

- Integrate existing classified CF command and control capabilities into a seamless secure, reliable core command and control information system for the entire CF;
- Link the CF command and control information system with other information capabilities at the tactical level in the CF, at DND and other Canadian government departments, in allied nations, and with public systems;
- Implement new capabilities that enable users of the CF command and control information system to conduct tasks in support of the four DND/CF core functions (command operations, conduct operations, generate and sustain operations and deliver intelligence to support operations); and
- Implement new capabilities to increase the reliability, survivability and maintainability of the CF command and control information system.

The IC2S project will be seeking preliminary project approval during fiscal 2007-2008.

Halifax-Class Modernization (HCM)

The backbone of Canada's navy, the Halifax-class frigates are approaching mid-life and, consequently, require updates not only to ensure their continued operational viability but also to ensure the bridge to the fleet of the future. Modernization of the HALIFAX class frigates, incorporating the Frigate Life Extension (FELEX) project, the standalone strategic and non-strategic capital projects as well as the National Procurement funded betterment projects, will continue under the umbrella of the HCM project. Definition work on several of these projects, including FELEX, Radar and C2 Upgrades are progressing at this time. The HCM project will seek expenditure approval during fiscal 2007-2008.

Materiel Acquisition and Support Information System (MASIS)

The MASIS Project is delivering an enhanced enterprise asset management capability with a focus on the acquisition, in-service life, and disposal of equipment and weapon systems. It is replacing a large number of stand-alone information systems and



introducing a common set of integrated and unified business processes across the Department and the Canadian Forces. Phase 4 of the Project rolled out the capability to the Navy. Phase 5 will deliver to the Army and Air Force, as well as other users. MASIS also represents the foundation piece for the Department's strategy for Enterprise IM Systems convergence and integration.

Directorate Omnibus Mounted Soldier Survivability Project (DOMSSP)

This project will address a number of soldier survivability demands. The team is currently concentrating on four technology areas: Active Protection Systems (APS), Improvised Explosive Device (IED)/Mine Blast technology, Enhanced Add-on-Armour (AoA) Kits for Light Armoured Vehicles (LAV), and Local Situational Awareness Systems (LSAS). One related project expected to be in implementation in fiscal 2007–2008 will be the \$130M Armoured Heavy Support Vehicle System (AHSVS) that will field a fleet of modern, 16-tonne, armoured logistic trucks for high threat, extreme terrain operations around the globe. The predominant aspect of the trucks will be enhanced protection from ballistic, mine and improvised explosive devices.



Accrual Budgeting

The following table summarizes those projects in definition or implementation in fiscal year 2007–2008 that are being resourced and accounted for using the principles of accrual budgeting.

PLANNED CAPITAL PROJECT EXPENDITURES	Forecast	Planned	Planned	Planned
(\$ Thousands)	Spending	Spending	Spending	Spending
	2006-2007	2007-2008	2008-2009	2009-2010
Budget 2005 Announcement				
Strategic Capital Investments:				
Medium to Heavy Lift Helicopters	8,489	268,373	358,123	420,034
Medium Support Vehicle System	11,986	35,032	204,980	456,291
Airlift Capability Project – Tactical	5,272	8,895	218,693	429,935
Joint Support Ship	0	82,285	96,030	194,000
Halifax-Class Modernization (HCM)	0	10,000	150,000	200,000
Total	25,747	404,585	1,027,826	1,700,260
Budget 2006 Announcement				
Strategic Capital Investments:				
Airlift Capability Project – Strategic	132,336	731,804	645,292	190,401
Howitzers M-777	24,569	3,456	0	0
Total	156,905	735,260	645,292	190,401
Grand Total	182,652	1,139,845	1,673,118	1,890,661
PLANNED ACCRUAL EXPENSES				
\$ Thousands	Forecast	Planned	Planned	Planned
	Spending	Spending	Spending	Spending
	2006-2007	2007-2008	2008-2009	2009-2010
Budget 2005 Announcement				
Strategic Capital Investments:				
Medium to Heavy Lift Helicopters	0	0	89,000	89,000
Medium Support Vehicle System	0	3,000	22,000	58,000
Airlift Capability Project – Tactical	0	0	0	0
Joint Support Ship	0	0	0	0
Halifax-Class Modernization (HCM)	0	0	0	0
Total	0	3,000	111,000	147,000
Budget 2006 Announcement				
Strategic Capital Investments:				
Airlift Capability Project – Strategic	0	123,000	163,000	99,000
Howitzers M-777	340	1,000	1,000	1,000
Total	340	124,000	164,000	100,000
Grand Total	340	127,000	275,000	247,000

Source: Assistant Deputy Minister – Finance and Corporate Services

Note: The investment table reflects the planned cash expenditures and accrual expenses for the projects that have received Cabinet or Treasury Board approval.



Optimal Use of Resources

Materiel Management

The Materiel Group is the central provider of services and program authority related to all Defence materiel acquisition and support programs. It manages equipment programs throughout their life-cycle, from concept to procurement through to disposal. As well as procuring Defence equipment and services of all kinds, the Materiel Group oversees materiel relations between Defence and other government departments, other levels of government, and international organizations.

Key facts about the Materiel Group:

- It is the functional management authority for the Departmental equipment asset base, which at the start of fiscal 2006–2007 had a net book value of over \$21B, as well as approximately \$5B in inventory stocks.
- It employs 3,450 civilian and military personnel (60 percent civilian, 40 percent military) across Canada and deployed abroad.

The Materiel Group recently brought together its performance management, audit co-ordination, and contract policy and compliance sections with the secretariat that handles sustainable development, aboriginal affairs, health and safety, and radiation safety to form a performance measurement and oversight directorate responsible for tracking and assessing the integrity of the Materiel Group program. At the same time, the Materiel Group consolidated the management of several complex transformative capital acquisition projects into a new division. This division also has a mandate to improve the professional standards of the Defence project management cadre by ensuring that each member possesses the education, qualifications and experience required for future acquisition challenges. The objectives of this reorganization are to use Project Management positions more efficiently, and to focus attention on high-priority capital equipment projects.

The traditional structure of major projects will be altered to consolidate common services such as procurement and financial, administrative and human resources management in one directorate with a mandate to develop project management qualification standards, gather and disseminate best practices, enhance project management training and formalize a project-management certification program. In addition, the rigor of scientific expertise will be applied to provide time-sensitive, accurate and critical procurement and economic analysis throughout all stages of equipment acquisition project management. The centralization of support is expected to reduce project overheads, increase flexibility in the allocation of resources to project priorities, emphasize development and refinement of project-management expertise across Defence, and accelerate key project activities.

Procurement and Contract Management

The Government recently announced \$17 billion in new capital spending on defence which includes life-cycle costs, and \$2 billion in maintenance and upgrades to equipment already in the Defence inventory. To complete the many projects arising from these allocations, the Materiel Group will work closely with Public Works and Government



Services Canada to ensure timely award of contracts and delivery of equipment and services to meet CF needs while ensuring best value for Canadians. To ensure these procurements will be fair, open and transparent in accordance with the *Federal Accountability Act*, the Materiel Group will ensure that contracts include appropriate integrity provisions. In addition, the Materiel Group will ensure appropriate accreditation and training for procurement officers. Rigorous requirements have been established for each procurement process to ensure openness and transparency while also meeting urgent operational requirements. Potential suppliers must demonstrate that they meet mandatory selection criteria including high performance standards. The Materiel Group will ensure that suppliers' bids on each procurement include industrial benefits, and select the package with the most advantages to Canada. The Materiel Group offers a wide range of procurement methods, including specialized contracts, standing offers, supply arrangements and an "electronic marketplace" within a framework of stringent ethical standards. The Materiel Group also plays a key role in encouraging the procurement of environmentally friendly goods and services.

Continuing its commitment to efficiency, productivity and cost reductions, the Materiel Group is co-operating with other stakeholders to:

- reduce the time required to complete the acquisition cycle;
- improve efficiency in the delivery of the Capital Procurement Program and the National Procurement Program; and
- respond to simplified high-level operational Statements of Requirements with off-the-shelf military and commercial goods when possible.

Realty Assets

The Defence portfolio of realty assets is in many respects the largest and most complex in the Government of Canada, and it includes owned and leased properties of all types and ages. By area, Defence occupies about 33 percent of federal buildings and 7 percent of federal land, with 25 main installations distributed across Canada and realty assets in every province and territory, located in 309 municipalities. The total realty replacement cost of Defence-owned buildings and works, including housing, is estimated at \$21.4 billion. The responsibility associated with managing such a vast realty asset portfolio, which includes several designated heritage sites, places a significant demand on the sustainment capability of Defence.

Defence realty assets are generally considered to be in fair condition, but that status is declining due to inadequate funding; investment levels have remained below recognized industry standards for a decade. Over the 2000–2006 period, there was a general decline of 16 percent in the condition of Defence realty assets, which represents a decline of more than 3 percent per year. If this trend persists, the overall condition can be expected to move from "fair" to "poor" in approximately five years. To rectify the situation, the following will be pursued:

- the continued development of Master Realty Asset Development Plans for each base and wing to improve realty asset planning and investment decisions;



- increased funding for maintenance and repair of realty assets to halt the decline in their condition and minimize the impact of deferred maintenance;
- establishment of proactive preventive maintenance functions; and
- more reliable record-keeping to improve realty asset decisions.

To maximize the efficiency of the realty asset portfolio and to ensure that it supports and enables Defence operations and programs, in fiscal year 2007–2008, DND will:

- implement a realty asset strategy to focus and guide realty asset activities towards a common goal;
- adopt a portfolio management approach to ensure common, integrated and efficient investment decisions; and
- implement an Integrated Site Investment Program to realize savings by consolidating, sharing and optimizing realty assets and to increase workforce productivity.

For additional information on the Capital Construction Program see Section III, Table 9.

Information Management

The Information Management Group (IM Gp) has made a commitment to adopt a capability-based approach to supporting operations and delivering IM capabilities and services in alignment with the “Canada First” defence strategy. The IM Gp will continue to provide the infrastructure and networks necessary to support operations and the corporate needs of the Department. To this end, maximum use will be made of commercial-off-the-shelf solutions where they make sense. Additionally, the IM Gp will make optimum use of other Government of Canada initiatives for shared services for IM/IT. Efforts will continue to improve security, redundancy and robustness of operational and corporate information systems and services.

Focusing on support to military operations, the IM Gp will lead the efforts to deliver a fully integrated command and control information system (C2IS) by converging existing environmentally “stove-piped” networks [the TITAN-CF command system network, Maritime Command Information Network (MCOIN), Air Force Command and Control Information System (AFCCIS), Land Force Command and Control System (LFC2S), Military Message Handling System (MMHS) and Automated Defence Data Network (ADDN)] networks now in service. The integrated C2IS will operate at Level II (Secret) and support the transformation principles of “command centricity” and “mission command”. C2IS will be as compatible as possible with the classified systems of Canadian government departments and allied militaries.

The fusion of intelligence and operational information made possible by C2IS will support military and government decision-making. The CF will expand and enhance the information and intelligence fusion capability so it can support at least 50,000 users around the world. Gaps in governance and oversight of command and control capabilities will be addressed. In his role of C4ISR champion, the Vice Chief of the Defence Staff will oversee the development of the C2IS.



Employing the resources of the Canadian Forces Information Operations Group (CFIOG) the IM Gp will continue to work closely with the Chief of Defence Intelligence (CDI) and the Communications Security Establishment (CSE) to gather, analyze and disseminate military signals intelligence information in support of government decision making and military operations.

During fiscal 2007–2008, the corporate intent is to identify force-development requirements in the IM field for the Defence strategy. Significant challenges include the departmental enterprise architecture, a management strategy for the Defence application portfolio, and updates to the IM Strategic Plan.

Through the Enterprise Information Security Environment Project, the IM Group plans to deliver a flexible, robust, multi-dimensional IM security capability. This will be accomplished by:

- identifying the information security requirements of an integrated Defence Enterprise Resource Planning capability;
- making progress on the development of an information security architecture; and
- assessing emerging security-based system architecture.

To address current and future information management requirements at Defence, the IM Group will plan, develop and implement a new record and document management capability, and develop a content management plan.

IM Group will also enhance “designated domain” access, and secure and non-secure video-teleconferencing capabilities.

The Information Management Group has made a commitment to adopt a capability-based approach to delivering IM capabilities and services in alignment with the “Canada First” defence strategy. During fiscal 2007–2008, the corporate intent is to identify force-development requirements in the IM field for the Defence strategy. Significant challenges include the departmental enterprise architecture, a management strategy for the Defence application portfolio, and updates to the IM Strategic Plan.

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Conduct Operations

Strategic Outcome: Success in assigned missions in contributing to domestic and international peace, security and stability.

Program Activity: Conduct Operations — Total Spending Net of Revenues				
Resources	Forecast Spending 2006–2007	Planned Spending 2007–2008	Planned Spending 2008–2009	Planned Spending 2009–2010
Departmental Spending ¹ (\$ Thousands)	2,376,348	2,286,490	1,849,781	1,550,751
Capital Spending (\$ Thousands) (included in departmental spending)	213,410	196,508	181,458	147,590

Source: Assistant Deputy Minister - Finance and Corporate Services, Chief of Military Personnel and Assistant Deputy Minister (Human Resources Civilian)

Note:

1. Planned Spending for Conduct Operations is subject to annual adjustment through future Main and Supplementary Estimates. It is expected that the 2008-2009 Planned Spending will increase once additional funding can be recognized.

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

Constant Situational Awareness

The transformation of the CF added four operational headquarters and six regional Joint Task Forces to the command structure. The operational commands are responsible for domestic, deployed and special operations, and operational support. Common information and intelligence networks were developed to serve the new commands and provide constant situational awareness, and these networks will be available to the tactical, operational and strategic command levels.

A fully integrated system to be formed by converging networks will provide the capability of the TITAN-CF command system network, Maritime Command Information Network (MCOIN), Air Force Command and Control Information System (AFCCIS), Land Force Command and Control System (LFC2S), Military Message Handling System (MMHS) and Automated Defence Data Network (ADDN) networks now in service. The integrated command and control information system (C2IS) will operate at Level II (Secret) and support the transformation principles of “command centricity” and “mission command”. C2IS will be as compatible as possible with the classified systems of Canadian government departments and allied governments.



The fusion of intelligence and operational information made possible by C2IS will support military and government decision-making. The CF will expand and enhance the information and intelligence fusion capability so it can support at least 50,000 users around the world. Gaps in governance and oversight of command and control capabilities will be addressed. In his role of C4ISR champion, the Vice Chief of the Defence Staff will oversee the development of the C2IS.

Within the context of the Defence Intelligence Review, the Chief of Defence Intelligence (CDI) will implement a study of human intelligence (HUMINT) that includes a proposal to form a new CF unit at the appropriate level. CDI will develop a force-generation strategy for counter-intelligence and HUMINT capabilities, which are critical to commanders' situational awareness. The evaluation of the counter-intelligence function will be completed, and a study of strategic intelligence analysis will be conducted with a view to improve service with respect to national-level requirements. Input provided to complete the Canadian Intelligence Policy will include a complementary Ministerial Directive.

The Joint Information and Intelligence Fusion Capability (JIIFC) Project will deliver the capability to gather, analyze and disseminate military intelligence in support of defence and government requirements. Supporting units include the Communications Security Establishment (CSE) and the Canadian Forces Information Operations Group (CFIOG). This capability will also enhance the ability of the CF to generate knowledge from operational information to support decisive leadership at all levels.

Close co-operation between the JIIFC Project and the team conducting the Defence Intelligence Review will improve the quality of information and intelligence available to be developed into knowledge of the operational situation. The JIIFC Project will respond to the needs of decision-makers at all levels. In its second phase, while developing a long-term infrastructure plan, the project will consolidate its initial capability in a temporary facility. The JIIFC Project will continue to develop the processes, procedures and personnel that merge operational information and intelligence to form a "common operating picture" for commanders at all levels. The final deliverable of the JIIFC Project, due in 2009, will be the National Fusion Centre, which will bring military and civilian fusion partners together in a single building.

The CSE signals intelligence (SIGINT) program provides unique and timely foreign intelligence consistent with Canadian government requirements and priorities. This information is used for:

- indications and warnings;
- policy formulation;
- decision-making; and
- day-to-day assessment of foreign capabilities and intentions.

During fiscal 2007–2008, SIGINT program priorities will include:

- improving the quality of SIGINT products and services;



- continuing to integrate SIGINT capabilities with the CF to ensure the best possible SIGINT support to CF operations; and
- mastering the extraordinary challenge of the global information infrastructure and building on its technical capabilities.

The Marine Security Operations Centres (MSOC) consist of personnel from five core partner agencies – Canadian Border Services Agency, Canadian Coast Guard, Department of National Defence, Royal Canadian Mounted Police and Transport Canada. The function of the Marine Security Operations Centres will be to enable departments and agencies to work collaboratively to collect and analyze intelligence and other information in an effort to develop a solid awareness in their area of responsibility with regard to marine security.

The Interdepartmental Marine Security Operations Centres Project received effective project approval and an implementation contract was awarded in March 2006. Initial operational capacity is expected in April 2007 with full operational capacity expected in 2010.

Domestic and Continental Operations

As the single operational command for the whole country, Canada Command (Canada COM) is primarily concerned with planning domestic operations, including support to provincial and municipal authorities and inter-agency liaison. Memoranda of Understanding and interdepartmental contingency plans under development include one between Defence and the RCMP. Initiatives are under way to improve the co-ordination of CF support to civilian authorities with respect to major disaster response, especially firefighting; hurricane relief; chemical, biological, radiological and nuclear (CBRN) response; and pandemic diseases, especially influenza.

Canada COM is also responsible for operations undertaken by the CF in co-operation with the U.S. armed forces in North America. In this capacity, Canada COM has reached such important milestones as participation in the major Homeland Security-National Defence exercise involving U.S. Northern Command (NORTHCOM) and civilian agencies. Canada COM will continue to pursue the development and improvement of concepts of operations and command-and-control structures, and to solidify relationships between the CF and their domestic and continental security partners.

A single Combined Forces Air Component Command (CFACC), located in Winnipeg, coordinates and tasks all air support to Canada COM and the subordinate Joint Task Forces (JTF).

The air force will continue to provide the capability to respond to aeronautical and maritime Search and Rescue (SAR) incidents in all parts of Canada and its internationally agreed SAR regions. Additionally, the air force will continue to provide the capability to render humanitarian assistance and conduct disaster relief activities anywhere in the world, provide the capability to assist civilian authorities in aid of the civil power operations, and provide forces to assist in an air evacuation of Canadians from areas



threatened by imminent conflict, in permissive and non-permissive environments, with available air forces.

The navy will implement the Readiness and Sustainment (R&S) policy to fulfill the naval mission to generate and maintain combat-capable, multi-purpose maritime forces and meet Canada's defence capability requirements and assigned defence tasks. This will consist of generating a Composite Contingency Task Group (CCTG), comprised of four ships at high readiness (HR) (two ships per coast), and a National Task Group on each coast, consisting of the two HR ships assigned to the CCTG and two to three Standard readiness (SR) ships. Task groups will be available for domestic and continental contingency operations as directed by Canada COM.

The navy will generate assets to undertake Maritime Security patrols consistent with national security objectives, to support the deployment of 50 Frigate sea days.

In accordance with the current Memorandum of Understanding (MOU) between DFO and Department of National Defence, 155 sea days support shall be provided on a yearly basis. In addition, up to 50 additional Frigate sea days may be provided to support the Department of Fisheries and Oceans (DFO) Increased Presence Initiative in the NAFO Regulatory Area to address foreign over-fishing.

In accordance with the current MOU between the RCMP and Department of National Defence, up to 20 sea days shall be provided on a yearly basis in support of drug law enforcement. Demand beyond this level may be accommodated in accordance with the protocol outlined in the MOU.

Support to Canada Command for search and rescue missions shall be provided as and when required. A Ready Duty Ship (RDS) will be maintained under the operational command of CANADA COM at all times.

The North American Aerospace Defence Command – the bi-national command responsible for the aerospace surveillance and control of North America – continues to develop plans and procedures in co-ordination with military and civilian partners and in close co-operation with Canada COM and NORTHCOM. Canada and the U.S. are in the process of implementing NORAD's new maritime warning function, which was established on May 12, 2006, when the NORAD Agreement was renewed in perpetuity.

In response to unforeseen occurrences, the Health Services component of the Disaster Assistance Response Team (DART) will remain on 48 hours' notice to respond to humanitarian crises at home or abroad. Training of the DART medical team for this unique deployment role will continue as a Health Services priority.

International Operations

Security in Canada begins with stability abroad, and the CF have an important role to play internationally.

Reporting directly to the Chief of the Defence Staff, the Commander of Canadian Expeditionary Forces Command (CEFCOM) is responsible for the conduct of all overseas operations, including humanitarian, peace support and combat operations.



Through CEFCOM, the CF will conduct a range of international operations and will be prepared to:

- deploy forces globally, as directed by the Government, to participate in operations under NATO, the U.N. or other coalition auspices;
- support Canada's commitments to NATO and the U.N. by making maritime, land and air forces available to respond rapidly to international emergencies and other security challenges;
- deliver funds and materials from the Canadian International Development Agency to civil-military co-operation projects in theatres of operation;
- provide humanitarian assistance and conduct disaster-relief activities including (but not limited to):
 - helping civil authorities provide humanitarian relief,
 - providing medical assistance, and
 - re-establishing local infrastructure through the [Disaster Assistance Response Team](#), possibly as part of an international joint and combined force; and
- evacuate Canadians from foreign countries threatened by imminent conflict, in conjunction with the military forces of other nations.

CEFCOM will continue to refine its force-employment processes and its relationships with deployed missions and its partners, including the other operational commands, the force generators of the CF, and other government departments, to ensure that necessary action is taken to achieve government objectives in a timely manner.

CANSOFCOM will plan, direct and control CF special forces operations, counter-terrorism activities, evacuation, and operational training in joint and combined environments.

The Canadian Operational Support Command (CANOSCOM) will continue to evolve with capabilities such as the Operational Support Engineer and Operational Support Military Police Groups and the establishment of its subordinate Canadian Forces Protective Services Unit (CFPSU). A Command Council has been set up to discuss the strategic-level mandate, and the harmonization and rationalization of CF operational support functions. CANOSCOM has also initiated studies to identify and develop the operational support capabilities needed for a second line of operations, and to introduce a "hub and spoke" system for moving personnel and distributing materiel in support of deployed operations.

Maritime Command (Atlantic) will deploy one Halifax-class frigate with its embarked helicopter detachment with the Standing NATO Maritime Group 1 (SNMG 1) from July to December 2007. At least one frigate will participate in the Mariner-series exercise in the spring of 2007, during which SNMG 1 will demonstrate that it is ready for the standby phase as the naval component of the NATO Reaction Force. The navy will review its participation in the SNMG 1 and the NATO Reaction Force when the command of SNMG 1 has rotated to another nation.



The army will continue to generate and maintain combat capable, multi-purpose land forces to meet Canada's defence objectives. At the request of the Afghan government and under a U.N. mandate, Canada will continue to participate in and lead the expansion of NATO operations into southern Afghanistan with approximately 2,300 Canadian troops in theatre. Even as they help the people of Afghanistan rebuild their country, they will play a leadership role on the world stage and protect Canada from terrorism. The Chief of Land Staff intends an aggressive pursuit of expansion activities to improve the force-generation base. The army will continue to be composed of people and organizations that adapt well to change, co-operate well with other CF elements, and lead integrated land effects.

The navy will investigate opportunities to deploy a Helicopter Carrying Frigate (FFH) with a United States Navy (USN) Group in support of Operation Enduring Freedom (OEF).

The air force will continue to maintain the capability to provide forces able to operate as part of a multi-national coalition force up to and including mid-level joint and combined operations. Air forces will be able to operate anywhere in the world and maintain the capability to provide Vanguard components of the Main Contingency Force for UN Operations. Moreover, the air force will continue to provide personnel to various NATO Headquarters and continuously provide aircrews and other personnel to serve in the NATO Airborne Early Warning System, participate in NATO training and exercises, and provide the opportunity for allied air forces to conduct training in Canada.



Contribute to Canada and the International Community

Provide Advice to the Government of Canada

The Department of National Defence and the Canadian Forces advise the Government of Canada on defence policy and military matters to achieve good governance, a distinct Canadian defence identity, and influence in the global community.

In support of the Minister of National Defence and the Government of Canada, DND provides the analytical basis for defence policy options; develops advice on issues affecting Canada's international defence and security; and co-ordinates national policies with Cabinet, Parliament, other government departments, and the public.

The CF advises the government on military requirements, capabilities and options, and on the likely consequences of either undertaking or failing to undertake various military activities. With four new operational headquarters and the Strategic Joint Staff, the Canadian Forces are better equipped for the new domestic and international security environment and to provide the government with timelier, more comprehensive military advice.

Contribute to Canadian Government and Society in Accordance with Canadian Interests and Values

Strategic Outcome: Good governance, Canadian identity and influence in a global community.

Program Activity: Contribute to Canadian Government, Society and the International Community — Total Spending Net of Revenues				
Resources	Forecast Spending 2006–2007	Planned Spending 2007–2008	Planned Spending 2008–2009	Planned Spending 2009–2010
Departmental Spending (\$ Thousands)	965,771	947,928	984,532	1,002,583
Capital Spending (\$ Thousands) (included in departmental spending)	29,354	26,231	24,289	23,672

Source: Assistant Deputy Minister - Finance and Corporate Services

This third program activity supports the Government of Canada's outcome to provide good governance and to enhance Canada's identity and influence in the global community. It comprises the following three program sub-activities:

- provide advice to the Government of Canada;
- contribute to Canadian government and society in accordance with Canadian interests and values; and
- contribute to the international community in accordance with Canadian interests and values.

The following entities support the foregoing activity:



The Communications Security Establishment

The CSE **Information Technology (IT) Security Program** provides Government of Canada clients with technical leadership and expertise, advice, guidance and services related to protecting information, and information systems and infrastructures.

As part of this task, CSE provides high-level IT security consulting; identifies cyber vulnerabilities and threats; and helps develop government IT security policy and standards. The IT Security Program's priorities for fiscal year 2007–2008 are:

- **Cyber Defence:** Prevent cyber attacks from reaching the critical systems of the Government of Canada;
- **Enterprise Architecture:** Make progress on the development of a government-wide enterprise IT security architecture; and
- **Security Technologies:** Provide authoritative, tailored contextual guidance to clients and partners.

As part of these priorities, CSE is also helping to advance the Canadian Crypto-Modernization Program for the government.

For the financial details on the CSE, refer to Table 2 in Section III. For more general information about the CSE, visit: <http://www.cse-cst.gc.ca/>

The National Search and Rescue Secretariat and the National Search and Rescue Program

The National Search and Rescue Secretariat (NSS), established in 1986, provides leadership to the National Search and Rescue (SAR) Program through the Interdepartmental Committee on Search and Rescue (ICSAR). ICSAR includes representatives from central agencies and the federal departments and agencies that provide SAR services.

The NSS reports directly to the Minister of National Defence, who is the lead minister for SAR. The NSS is accountable to the Minister through ICSAR for the development, co-ordination, analysis and review of federal SAR program policies and plans, and for specific program activities. The NSS also provides leadership in enhancing co-ordination between provincial, territorial and federal SAR programs, and advises the Minister on program issues.

National SAR Program Management Framework

The management framework of the National SAR Program is designed to meet key Government of Canada objectives in the areas of integrated performance information, collective risk management, and appropriate control mechanisms. The framework is documented in the [Strategic Directions Paper](#), the National SAR [Program Plan](#) and the National SAR Program [Annual Report](#).



National SAR Program Strategic Directions and Priorities

ICSAR has adopted the following strategic directions and priorities for the National SAR Program:

- **SAR Program Information Management and Data Exploitation:**
 - Integrating data management with management decisions;
 - Using SAR incident data and analysis to guide planning decisions and develop prevention and awareness campaigns; and
 - Using SAR data to provide the link between resource inputs, service outputs and safety outcomes.
- **Interoperability:**
 - Eliminating the barriers that prevent SAR partners from working together;
 - Establishing the procedures, plans, training, equipment and communications that facilitate an integrated, co-ordinated response on land, at sea and in the air in any SAR operation; and
 - Validating the foregoing through joint training and multi-jurisdictional exercises.
- **Public Education and Awareness:**
 - Identifying and sharing best practices and education and awareness plans and campaigns among SAR partners to minimize the number of SAR incidents; and
 - Leveraging the resources dedicated to prevention and awareness campaigns.
- **Enhancing the SAR Volunteer Community:**
 - Reducing the systemic barriers that prevent SAR volunteers from reaching their full potential;
 - Increasing the capability (training, equipment and availability) of volunteer organizations;
 - Generating, maintaining and retaining committed SAR volunteers; and
 - Exploring new associations and community-based partnerships.
- **Leveraging Technology:**
 - Using technology to achieve effectiveness and reduce risk to SAR responders;
 - Identifying and developing best practices; and
 - Investing in new technologies to improve performance and develop new capabilities.
- **SAR Partnership with the Public Safety Community:**
 - Strengthening partnerships with the public safety community to facilitate and enhance SAR prevention, co-ordination and response activities, as many SAR responders are public safety personnel.



National SAR Secretariat Activities

To support National SAR Program priorities, the NSS will co-operate with SAR partners in the following activities during fiscal 2007–2008:

- Improve performance measurement and reporting for the National SAR Program;
- Complete the SAR Volunteer Review and work with partners on follow-up activities;
- Foster closer links between ICSAR and the Ground SAR Council of Canada, which includes provincial and territorial SAR authorities;
- Advance the Northern SAR Strategy by:
 - partnering with the territorial governments to strengthen the northern SAR infrastructure and SAR related plans and procedures, and
 - implementing risk-reduction solutions;
- Review the horizontal governance structure of the National SAR Program to determine whether improvements are required;
- Continue implementation of an improved comptrollership framework for the Search and Rescue New Initiatives Fund, and promote use of the fund;
- Renew the NSS website to improve the availability and accessibility of search and rescue information;
- Help DND co-ordinate national and international efforts to convert COSPAS-SARSAT to a system based on mid-earth orbit satellites.

National SAR Program Partner Activities

The 2007 National SAR Program Plan identifies several new and continuing activities to be carried out by SAR organizations during fiscal 2007–2008 that will have significant long-term effects on the delivery of SAR services in Canada:

- Canadian Coast Guard Fleet Renewal (Canadian Coast Guard);
- 406-MHz Personal Locator Beacon transition (Transport Canada, NSS);
- SAR Radio Interoperability Initiative (NSS, provincial and territorial governments);
- Enhancement of the SAR Mission Management System (Defence); and
- Multi-jurisdictional exercises.

For the financial details of the National SAR Program and the National Search and Rescue Secretariat, refer to Table 6 in Section III. For more general information about the NSS, visit <http://www.nss.gc.ca/>

Defence Research and Development Canada

On October 20, 2006, the Defence Management Committee approved the publication of Defence Science and Technology Strategy, which is now in its implementation phase. Defence S&T Strategy 2006 is a key component of a two-year project by Defence



Research and Development Canada (DRDC) to guide the DRDC response to CF Transformation and to the changes in Canada's defence and security environment.

Defence S&T Strategy 2006 was developed by DRDC in consultation with key Defence stakeholders and partners. Its objective is to maximize the impact of S&T on Canada's defence and security priorities through:

- the establishment of a Defence S&T Enterprise, a horizontal and functional governance mechanism that connects S&T providers with Defence clients;
- the development of a full-service Defence S&T capability that serves all the institution's core processes; and
- the development of strategic partnerships between Defence organizations, and between Defence as a whole and other institutions in government, industry and academia, in Canada and abroad.

R&D for Soldier Survivability

Currently the biggest threat to Canadians deployed on operations is the “improvised explosive device” (IED) — the homemade or improvised bomb. The terrorist's favourite weapon, improvised bombs are increasingly lethal and sophisticated; simple to make, easy to aim and fire, and they are very difficult to defeat.

DRDC has taken up the challenge of the improvised bomb with a co-ordinated R&D effort to examine technologies with potential to counter this deadly threat. Solutions will be explored both in-house and through a special project under the Technology Demonstration Program to solicit ideas from Canadian industry. Over the next five years, the Counter-IED TDP will provide about \$10 million in funding to projects that deal specifically with the improvised bomb problem, and allocate about \$15 million more to soldier survivability issues such as mine detection and neutralization, camp defences and vehicle armour.

Improving DRDC Infrastructure

If DRDC is to fulfill its mandate of ensuring that the Canadian Forces are technologically prepared and operationally relevant, it must address pressing infrastructure needs. The development of a DRDC Infrastructure Strategy, to be completed during fiscal 2007–2008, will ensure that spending on buildings and facilities realizes the greatest possible benefit to Defence as a whole. The Infrastructure Strategy will be based on the overarching Defence S&T Strategy, designed to equip DRDC for a leading role in the Defence S&T Enterprise and, consequently, to achieve the required effect on the Defence mission. It will provide the framework to ensure that sound, reasonable investment in infrastructure across DRDC is rigorously co-ordinated and prioritized. Finally, it will demonstrate and document the benefits to Canadians of the distributed nature of DRDC infrastructure.

For the financial details of Defence Research and Development Canada, refer to Table 5 in Section III. For more general information about DRDC, visit <http://www.drdc.gc.ca/>



Canadian Cadet Program

The Canadian Cadet Program is a federally sponsored national training program for youth between the ages of 12 and 18, conducted by Defence in partnership with the [Navy Cadet League](#), the [Army Cadet League](#) and the [Air Cadet League](#). The leagues recruit cadets, and organize accommodation and sponsors for each cadet unit. The CF provides personnel from the Regular Force, the Primary Reserve and more specifically members of the CIC. The CF also provides uniforms, some infrastructure and other support services such as airlift. Approximately 58,200 young Canadians will benefit from cadet training from September to June, some 1,7M training days will be provided. Some 23,230 cadets will be selected to attend national activities such as biathlon or marksmanship or one of the 24 Cadet Summer Training Centres located across the country either as trainees, or as Staff Cadets in leadership roles.

Planned Number of Cadets and Training Days

	2007–2008	2008–2009	2009–2010
Cadets – Local Training	58,200	58,200	58,200
Training Days – Local Training	1,725,000	1,725,000	1,725,000
Cadets – Advanced Training	23,300	23,300	23,300
Training Days – Advanced Training	545,000	545,000	545,000

Source: VCDS – Director General Reserves and Cadets

Junior Canadian Rangers

The [Junior Canadian Rangers \(JCR\)](#) Program is for youth between the ages of 12 to 18 (approximately 3,000), and its aim is to provide a structured youth program through traditional, life and Ranger skills development activities. JCR Patrols (107) are located in remote and isolated communities of Canada that have Canadian Rangers. The JCR Program is conducted in collaboration with local committees of adult community members who are in many cases supported directly by the band, hamlet or municipal council. The community provides a location for training, screens potential volunteers and instructors, and schedules training activities. The CF provide uniforms, training, financial and administrative support to the program, and CF Regular Force and Primary Reserve personnel assist delivery and evaluate JCR training during regular visits and field training exercises. The CF also provides Canadian Rangers with opportunities to serve as leaders, facilitators, supervisors and program developers.

DND will continue to engage local, regional, provincial or territorial and federal agencies and organizations, and other government departments, specifically [Indian and Northern Affairs Canada](#).



Planned Number of Junior Canadian Rangers and Training Days

	2007–2008	2008–2009	2009–2010
Cadets (JCR) – Local Training	3,200	3,200	3,200
Training Days – Local Training	67,200	67,200	67,200
Cadets (JCR) – Enhanced Training	750	750	750
Training Days – Enhanced Training	5,250	5,250	5,250

Source: VCDS – Director General Reserves and Cadets

Official Languages

During fiscal 2007–2008, the CF will focus on:

- developing a transformation communication strategy for the Official Languages Program;
- Realigning the official languages policy framework;
- Adopting a functional approach to staffing;
- Measuring official languages performance in targeted health, safety and security functions; and
- Developing a results-based performance measurement system to monitor the ability of Defence to provide consistent bilingual services, leadership and instruction as required by the [Official Languages Act](#).

Employment Equity and Diversity

Military

The CF will implement their Employment Equity plan during fiscal 2007–2008. The plan's key strategic objectives are:

- improving representation of the groups designated by the *Employment Equity Act*;
- making the CF inclusive through culture change initiatives; and
- facilitating career development for soldiers, sailors and air personnel who are female, aboriginal, or members of visible minorities.

Civilian

During fiscal 2007–2008, DND will continue to monitor and report on the Employment Equity program and ensure that Employment Equity considerations are solidly embedded in the staffing procedures developed under the new *Public Service Employment Act*. In this final year of implementation of the corporate Employment Equity Action Plan, the focus will be on providing managers and HR practitioners across DND with appropriate training and tools.



Canadian Identity – History and Heritage

Defence will continue to manage the [Canadian Military History Gateway](#), a website with links to the sites of National Defence, Parks Canada, Library & Archives Canada, the National Film Board, the Canadian Broadcasting Corporation, Veterans' Affairs Canada, and the Canadian War Museum. The website and the partner network of sites promote Canadian military history and heritage throughout the world.

- Themes for fiscal 2007–2008 include: the 90th anniversary of the Battle of Vimy Ridge, Canada's Victoria Cross recipients, and the 400th anniversary of the founding of Quebec City.
- Defence will mount the ceremonies at Vimy, France, on April 9–12, 2007, to mark the 90th anniversary of the battle and to highlight the recent refurbishment of the monument.
- Defence will publish *Québec – Ville militaire, 1608–2008* and continue work on three books on CF participation in U.N. operations in the Congo (1960–1964) and the Middle East (1956–1967), and International Commission for Supervision and Control operations in Indo-China (1954–1973).

Canadian Forces Grievance Authority

Defence remains committed to sustaining a grievance system for the Canadian Forces that can handle complaints from across the CF throughout their entire life-cycle. The CF grievance system will continue to promote effective resolution from the initial stages, when a complaint can be resolved informally, to the point at which a final grievance decision is rendered and implemented. Priorities of the CF Grievance Authority during fiscal 2007–2008 include:

- expanding the capabilities of the grievance registry system to include tracking grievances at all levels by quantity, type and status;
- introducing a user-friendly grievance website that includes a case-management communication reporting function; and
- improving the processes and updating the governance tools that support the resolution of complaints and grievances.

For more information on the Canadian Forces Grievance Authority and the Canadian Forces Grievance Board visit: www.cfga.forces.gc.ca/intro_e.asp and www.cfgb-cgfc.gc.ca/process-e.php

Judge Advocate General

During fiscal 2007–2008, the Office of the Judge Advocate General (JAG) will continue to focus its efforts on support to operations. In addition to striving to provide forward-thinking legal advice on operational and international law, it will be working with the Canadian Defence Academy (CDA) to develop effective new methods for the delivery of operationally focused military legal education, training and doctrine for the CF.



Since an efficient and responsive military justice system is central to the effective exercise of operational command, the Office of the JAG will also be working with other military justice stakeholders to reduce the length of time it takes for the disposition of a matter by court martial.

Canadian Forces and Department of National Defence Ombudsman

The Office of the Ombudsman is a direct source of information, referral and education for the men and women of the Canadian Forces, employees of National Defence and their families. The Ombudsman helps individuals when they have a complaint or concern, investigates complaints, serves as a neutral third party on matters related to the DND and the CF and, when necessary, reports on issues to the public.

The Ombudsman will contribute to substantial, long-lasting improvements to the overall quality of life of Canadian soldiers, sailors and air personnel, Defence civilians, and their families. He will reach out to build comprehensive awareness and understanding of his mandate and role in the Defence community.

The Office of the Ombudsman will enhance accountability and openness in its investigations and operations in keeping with the intent of the *Federal Accountability Act*. It will strengthen overall program delivery, particularly the level of service it provides to CF members, Defence civilians and their families, consistent with the 2007–2008 priorities for Defence.

Contribute to the International Community in Accordance with Canadian Interests and Values

Defence contributes to the international community in accordance with Canadian interest and values through international organizations, industrial defence co-operation, scientific and technological co-operation, and provision of military training assistance.

Multilateral Organizations

Defence contributes to several multilateral and bilateral organizations that are both symbols of our national values and mechanisms for advancing and protecting Canadian interests on the international stage. The United Nations, the North Atlantic Treaty Organization and North American Aerospace Defence Command are central pillars of Canadian foreign and defence policy. 750 CF personnel, slightly more than 50 percent of CF foreign postings, support these three organizations. Defence also gives these three bodies significant funding to maintain military command structures and shared capabilities.

As much as possible, Canada also engages with and assists other international organizations, such as the European Union, the African Union, and the Organization of American States, all of which contribute significantly to international peace and security in areas such as the Balkans, Africa and Central and South America. Defence will continue to seek opportunities to engage with international organizations to promote Canadian values and interests abroad.



Industrial Defence Co-operation

During fiscal 2007–2008, Defence will work to enhance international industrial defence co-operation with Canada's allies, emphasizing three major activities:

- the nine-nation Joint Strike Fighter program, which gives Canadian industry access to a U.S. \$276-billion project; to date, some 50 Canadian companies, universities and research institutes have landed contracts related to the Joint Strike Fighter;
- under the Security and Prosperity Partnership with the U.S., co-operation with the U.S. Department of Defence to identify industrial infrastructure critical to national security;
- promoting Canada's financial, industrial and policy interests through NATO working groups on equipment and programs such as the NATO Airborne Early Warning and Control Program and the NATO Maintenance and Supply Agency.

The Joint Strike Fighter (JSF) program is a U.S.-led multinational effort to build an affordable, multi-role, stealthy fighter aircraft. Nine countries are in the program, including the United States, Italy, the United Kingdom, Norway, Denmark, Australia, the Netherlands, Turkey and Canada. Canada has been involved since 1997. On 30 November 2006, Treasury Board approved Canada's participation in the Production, Sustainment and Follow-On Development (PSFD) phase until 2013. Participation in this phase does not constitute a commitment to buy the JSF. The benefits of participation include continued access to work on the program for Canadian industry, increased interoperability with our allies and significant cost savings in acquisition and sustainment should Canada decide to buy the aircraft. A decision on the replacement for the current fleet of CF-18 is expected to be sought in the 2012 timeframe. The JSF program is not currently considered an acquisition program.

Scientific and Technological Co-operation

Defence Research and Development Canada (DRDC) is involved in numerous international defence science and technology working groups and collaborative research fora. International collaboration facilitates the exchange of knowledge and heightens Canada's profile on the world stage as a leader in scientific and technical innovation. The key international fora in which DRDC participates, include:

- **Technical Co-operation Program (TTCP):** An international research forum made up of Canada, the U.S., Britain, Australia and New Zealand, TTCP involves more than 850 scientists leading projects involving, at any given time, some 3,000 to 5,000 international scientific personnel; DRDC contributes to more than 70 TTCP technological initiatives;
- **NATO Research and Technology Organization:** Facilitates collaborative research with other NATO members; and
- **DRDC Centre for Security Science:** Initiated in 2006 to integrate security-related technology collaborations among 20 federal government departments and liaise with the U.S. Department of Homeland Security.



Military Training Assistance Program

The Military Training Assistance Program (MTAP) is an instrument of Canada's foreign and defence diplomacy. It directly contributes to the Defence mission by promoting Canadian interests and values abroad, and contributing to international peace and security. MTAP will provide education and training to the defence and security establishments of developing, non-NATO countries through the following undertakings:

- Language training to facilitate communication and interoperability among international forces;
- Professional development, which encompasses command, staff and technical training, to improve the professionalism of foreign armed forces; and
- Peace-support training to improve military and civilian participants' capacity to undertake multilateral and peace-support operations.

During fiscal 2007–2008, MTAP will initiate co-operative training projects in developing countries with allies such as Britain by co-ordinating relevant training projects with the Department of Foreign Affairs and International Trade, and by aligning MTAP training with the objectives of CF operations.



Executive and Corporate Services

Executive and Corporate Services do not constitute a program activity within the PAA construct. They do, however, comprise the corporate governance and strategic management activities carried out by individual organizations within Defence; activities which are fundamental to the coherence of all elements of the PAA.

Safety Programs

General Safety Program

Designed to meet the legislative requirements of Part II of the Canada Labour Code, the [General Safety Program](#) comprises occupational health and safety and the Return to Work program for civilian employees. It is the most comprehensive of the many DND/CF safety program detailed in [DAOD 2007-0 – Safety](#).

During fiscal 2006–2007, a revised, strengthened safety governance structure was introduced to enhance synergy among the departmental safety programs and reduce duplication and inefficiencies. This co-ordination will continue during fiscal 2007–2008 under the oversight of the DND/CF Health and Safety Council chaired by the Vice Chief of the Defence Staff, which issued its first Annual Report during fiscal 2005–2006 and will issue another in 2007–2008. This reporting period will see more improvement in compliance with Part II of the Canada Labour Code in several areas, especially hazard analysis and risk management, that were formalized by the introduction of Canada Occupational Health and Safety Regulation XIX (Hazard Prevention) in November 2004.

Nuclear Safety

The Minister of National Defence is responsible for establishing and maintaining requirements for the control and safe use of ionizing radiation sources across Defence. The Director General Nuclear Safety implements a Risk-Based Control Regime authorizing DND/CF nuclear activities in consideration of risk balanced against the requirements for health, safety, security and protection of the environment.

For more information on nuclear safety at Defence, see the Report on the [Management of Nuclear-Related Activities](#).

Modern Management

Defence will continue to enhance modern management by supporting intelligent, forward-looking, effective and efficient management practices consistent with Government of Canada standards and focusing on governance, accountability, stewardship, risk management, and results and performance. These management practices promote more effective resource management and in turn ensure value for Canadians.

Governance

In May 2006, Defence senior management gave approval in principle to change the governance structure at National Defence Headquarters. The executive committee



structure was altered to recognize the separation of operational and strategic headquarters and the creation of a “Canada First” defence strategy. The new governance structure will streamline the planning and acquisition of equipment and realty assets through top-down direction and resource allocation. Changes to the governance structure should be fully implemented in 2007–2008.

Integration of the PAA into core strategic resource management processes will continue in concert with governance changes. The PAA will also continue to be further refined as the common framework of the Defence annual reporting cycle.

Accountability

The annual Management Accountability Framework (MAF) exercise led by Treasury Board Secretariat assesses 10 elements of management accountability to help Defence strengthen its accountability processes and mechanisms. During fiscal 2007–2008, TBS will meet with the Deputy Minister to discuss compliance with the MAF. The purpose of this bilateral meeting is to determine how Defence is meeting its management commitments, and how it is tracking performance. A report is expected in spring 2007.

Stewardship

As the functional authority for information management at Defence, the Assistant Deputy Minister (Information Management) will ensure that the information management services meet the needs of the CDS vision and CF transformation. Projects already under way or completed include:

- the IM Services Transformation Project;
- the Single Enterprise Resource Planning Feasibility Study;
- the Enterprise Security Environment Analysis;
- the IM/IT Rationalization initiative; and
- a rapid review of Command, Control and Intelligence, and Human Resource Management capabilities.

These efforts are intended to enhance capabilities across Defence and improve stewardship of resources by aligning IM service delivery with the Defence Capability Plan.

Risk Management

Integrated risk management (IRM) is making progress at Defence since the release of the IRM Policy and Guidelines and the conduct of an institution-wide environmental study. All the Assistant Deputy Ministers and Environmental Chiefs of Staff have accepted eight strategic-risk areas. A two-part corporate risk profile is being developed to permit Defence to assess its operating environment and capacity to deal with high-level risks associated with strategic objectives. Part 1 of the corporate risk profile, now near completion, sets out the background, strategic context and methodology of Defence risk assessment, and discusses the areas of strategic risk and the progress made to date with IRM implementation. Part 2, now being developed, will be a snapshot of strategic risk in



Defence at a specific moment, and will identify the key high-level risks that must be managed at the corporate level. Responses to these risks will be developed once the risks have been linked to the strategic objectives and Defence priorities and analysed.

A Defence IRM Implementation Plan is also being drafted. This document will detail how IRM will be integrated into strategic and business planning and in decision-making processes and reporting. It will also detail how to integrate the practice of IRM across Defence, and how the institution will ensure continuous learning in the risk management field.

Defence is also integrating IRM into the Performance Management Framework, the main portal for reporting risk information. Further efforts to integrate IRM into other strategic processes at Defence will continue throughout fiscal 2007–2008. These efforts will include long-term work to develop and implement an effective IRM framework across all Defence Materiel Acquisition and Support activities.

Defence will continue to apply risk management techniques that reflect its historical funding trends. Continued application of a prudent risk management strategy that incorporates reasonable levels of over-programming in combination with identified risky investments is essential to success in achieving the Defence mission.

Results and Performance

Performance management remains a key component of the overall business planning cycle. Defence will continue its effort to align the DND/CF Performance Management Framework (PMF) to the PAA and the MAF and ensure that it provides relevant information on internal, service and program results. The goal is to have a PMF with balanced and factual information to facilitate decision-making and public reporting.

The PMF system continues to mature in DND and senior managers routinely discuss issues raised through the PMF system, in structured Balanced Scorecard discussions. The semi-annual internal performance management discussion paper and follow-on Defence Management Committee (DMC) discussion continue to be key processes for communicating and executing the Defence Strategy within the senior leadership.

The priority for fiscal 2007–2008 is to continue to evolve and mature the Defence PMF to ensure that the right sets of performance indicators, measures and targets are in place to accurately feed the Defence Balance Scorecard and Strategy Map. The Vice-Chief of the Defence Staff organization will continue to provide focus to the Defence Performance Management Action Teams and closely monitor the evolution of the Defence PMF.

Labour Relations

The new *Public Service Labour Relations Act* requires an Essential Services Agreements (ESA) for every Public Service bargaining unit that chooses conciliation or strike action as its method of dispute resolution. A key initiative for DND during fiscal 2007–2008 is to negotiate with bargaining agents to develop ESAs to maintain continuity of essential services at Defence in the event of labour disruptions. The incumbents of positions that provide services deemed essential to the safety or security of the public must continue to provide those services even if their union is on legal strike.

**Defence Public Affairs**

During fiscal 2007–2008, Defence Public Affairs will support all CF operations, bringing a special focus on Afghanistan by launching a comprehensive communications plan to inform Canadians and expand their understanding of the CF mission in Afghanistan.

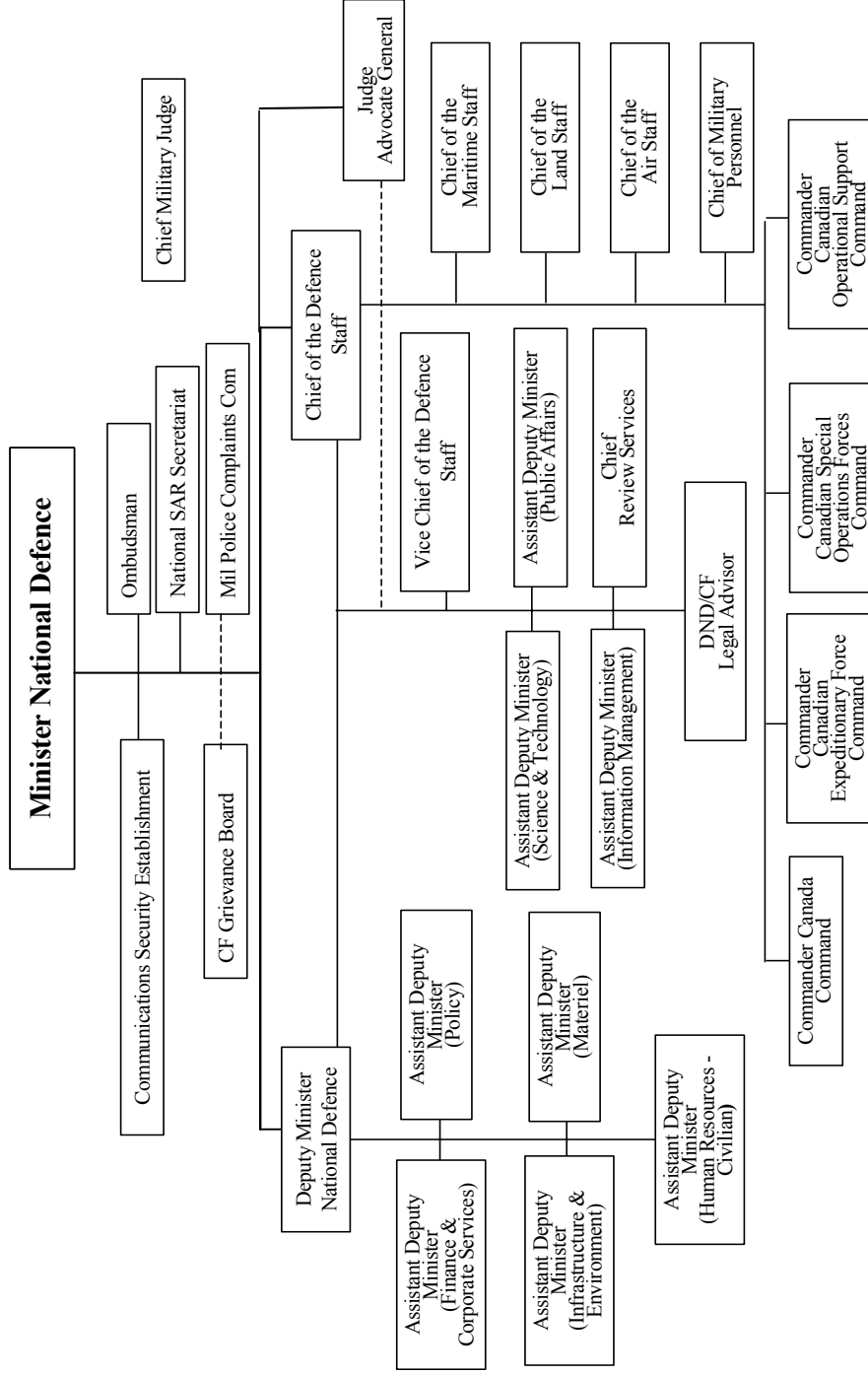
Defence Public Affairs provides advice and support to procurement announcements, and co-ordinates media operations in CF operations. In particular, during fiscal 2007–2008, it will support announcements and follow-on activities surrounding the implementation of the “Canada First” defence strategy. A communications strategy will be developed to explain it to Canadians and Defence stakeholders, and the year’s communications activities and products will be overtly linked to the new strategy where appropriate.

Defence Public Affairs will continue to support CF recruitment through the on-going recruitment advertising campaign, participating in assessments of the campaign’s effectiveness and revising it accordingly, and co-ordinating responses to queries about the campaign.

Defence Public Affairs will continue its renewal process with a view to aligning its organization, doctrine and daily activities with the new structure of Defence to achieve resource efficiencies and maximize effectiveness in support of Defence priorities.



Section III: Financial and Departmental Overview Organization Chart

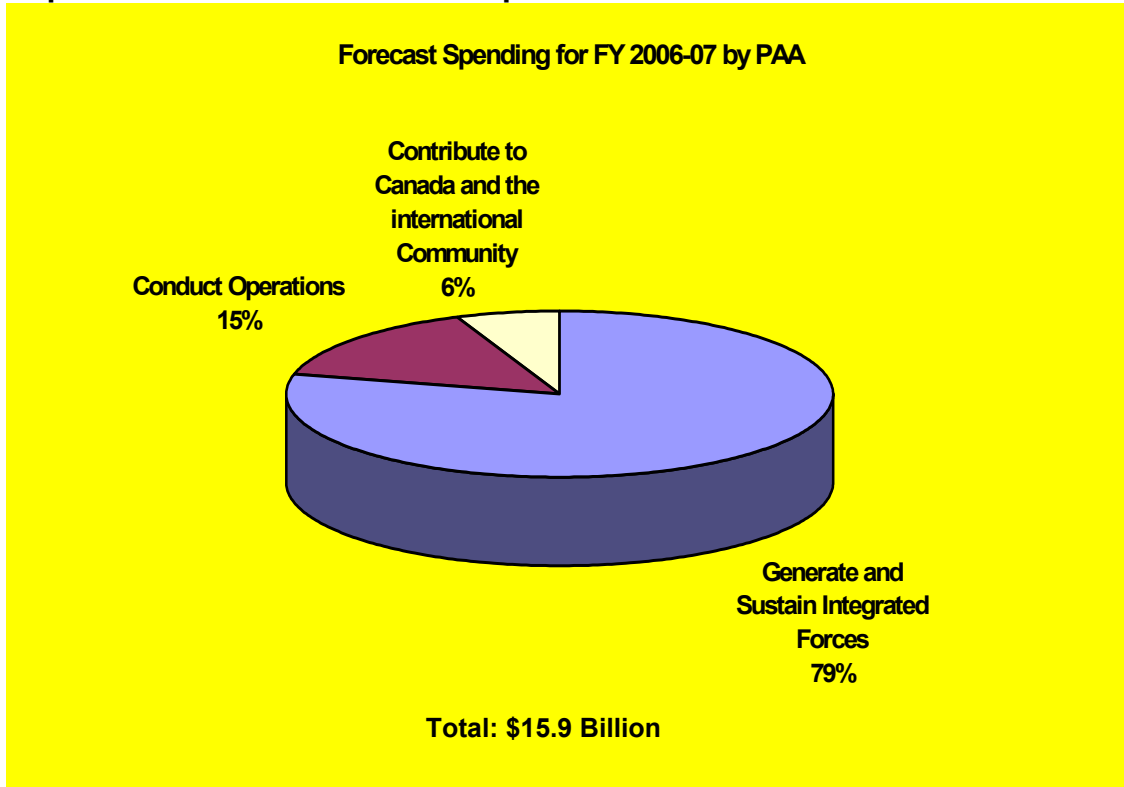


NOTE: CMS, CLS, CAS and CMP are also Commanders of Maritime, Land Force, Air and Military Personnel Commands respectively.



Financial Resources

Departmental Resource Consumption





Departmental links to the Government of Canada Outcome areas

Program Activity	Budgetary						Total Main Estimates	Adjustments (Planned Spending Not in Main Estimates)	Total Planned Spending
	Operating	Capital	Grants	Contributions	Gross Budgetary Expenditures	Less : Respendable Revenue			
Strategic Outcome: Canadians' confidence that DND and the CF have relevant and credible capacity to meet defence and security commitments.									
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces	10,812,417	3,370,129	152	20,627	14,203,325	(162,051)	14,041,274	569,753	14,611,027
Strategic Outcome: Success in assigned missions in contributing to domestic and international peace, security and stability.									
Conduct Operations	1,708,095	196,508	-	-	1,904,603	(10,364)	1,894,239	392,251	2,286,490
Strategic Outcome: Good governance, Canadian identity and influence in a global community.									
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interests and Values	944,062	26,231	5,360	192,972	1,168,625	(222,533)	946,092	1,836	947,928
Total	13,464,574	3,592,868	5,512	213,599	17,276,553	(394,948)	16,881,605	963,840	17,845,445

Source: Assistant Deputy Minister (Finance and Corporate Services)

Note: See table on page 5 for the relationship between Defence's Strategic Outcomes and the Government of Canada strategic outcomes.



Table 1: Departmental Planned Spending and Full Time Equivalents

(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces Conduct Operations	12,282,382	14,203,325	15,550,623	15,830,508
Conduct Operations	1,731,310	1,904,603	1,857,981	1,551,741
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interests and Values	1,144,233	1,168,625	1,210,704	1,219,533
Budgetary Main Estimates (gross)	15,157,925	17,276,553	18,619,308	18,601,782
Less: Spendable revenue	(368,703)	(394,948)	(386,428)	(370,572)
Total Main Estimates/Spending	14,789,222	16,881,605	18,232,879	18,231,210
Adjustments:				
To 2006-07 Through National Defence's Supplementary Estimates				
Funding to strengthen the Canadian Forces' independent capacity to defend Canada's national sovereignty and security (Canada First)	418,079			
Increases to pay and allowances for Canadian Forces members	177,140			
Operating budget carry forward (horizontal item)	155,608			
Funding to acquire a strategic airlift capability that will move large numbers of troops and equipment over long distances	132,336			
Enhancements to the Canadian Forces mission in Afghanistan	113,633			
Funding for the continued leadership role in Afghanistan for the Canadian Forces	88,980			
Funding to acquire new medium sized military trucks to transport troops and supplies	11,986			
Funding for the incremental costs incurred to provide earthquake disaster relief in South Asia in 2005-2006	10,328			
Funding to acquire medium-to-heavy lift helicopters to move troops and equipment into remote areas	8,489			
Funding related to government advertising programs (horizontal item)	7,500			
Funding for the costs of Canadian disaster relief activities in the United States in the wake of Hurricane Katrina (horizontal item)	6,678			



(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Funding for the modernization of compensation policies for Joint Task Force 2	5,386			
Funding to acquire a tactical airlift capability that will provide planes to transport troops and equipment over short distances within a region	5,272			
Funding to cover the incremental costs incurred during the emergency evacuation of Canadian citizens from Lebanon	4,037			
Transfer from Western Economic Diversification – For legacy projects relating to the Alberta and Saskatchewan Centenaries (Museum of Regiments)	3,000			
Funding to continue building management capacity of the Public Security Technical Program	2,670			
Transfer from Social Sciences and Humanities Research Council – To support the indirect costs of federally-funded research at the Royal Military College	1,208			
Funding to assist in the construction of a facility to house the Halifax Bomber at the Royal Canadian Air Force Memorial Museum in Trenton, Ontario	1,000			
Transfer from Fisheries and Oceans – For projects to reform the classification of jobs within the Federal Public Service	919			
Reinvestment of royalties from intellectual property	567			
Transfer from Natural Sciences and Engineering Research Council (\$340) and Social Sciences and Humanities Research Council (\$179) – To support the Canada Research Chairs at the Royal Military College	519			
Transfer from Fisheries and Oceans – For unused funds related to investments in search and rescue coordination initiatives across Canada (horizontal item)	177			
Funding to increase the grant to Mr. R.P. Thompson for increases due to indexing	9			
Spending authorities available within the Vote due to a reduced requirement in contribution payments to the North Atlantic Treaty Organization (NATO)	(9)			
Transfer to Environment – To encourage the participation of Aboriginal students in post-secondary science and technology programs, maintain support mechanisms, and to promote the Federal Public Service as an employer of choice among graduates of this program	(30)			
Transfer to Parks Canada Agency – For the transfer of land located at 57B St. Louis Street in Quebec City	(74)			
Transfer to Foreign Affairs and International Trade – To provide support to National Defence staff located at missions abroad	(1,717)			



(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Spending authorities available within the Vote due to a reduced requirements related to the deferral of operating funding for the Chemical, Biological, Radiological and Nuclear Research and Technology Initiative	(4,037)			
Transfer to Environment (\$1,525), Fisheries and Oceans (\$1,258), Transport (\$798), Royal Canadian Mounted Police (\$313), and Parks Canada Agency (\$269) – For investments in search and rescue coordination initiatives across Canada (horizontal item)	(4,164)			
Transfer to Transport (\$1,956), Royal Canadian Mounted Police (\$1,377), Canada Border Services Agency (\$750), and Fisheries and Oceans (\$554) – For public security initiatives (horizontal item)	(4,637)			
Spending authorities available within the Vote due to a reduced requirement for funding related to the assessment, management and remediation of federal contaminated sites	(9,103)			
2005 Expenditure Review Committee Savings – Procurement	(62,310)			
<u>To 2006-07 Through Adjustments Other Than National Defence's Supplementary Estimates</u>				
Civilian Pay Raises - Treasury Board Vote 15	34,841			
Funding related to government advertising programs (horizontal item)	8,000			
Administration charges related to the implementation of amendments to the Canadian Forces Superannuation Act - Employee Benefit Plan Recoveries Deposited to the Consolidated Revenue Fund	1,774			
Incremental funding in Support of the Internal Audit Policy	789			
Funding to conduct readiness assessment for audit of financial statements	200			
Adjustment to total Reinvestment of royalties from intellectual properties received through Supplementary Estimates (A) 2006-2007	(557)			
Reprofiling – Public Security Technical Program	(1,312)			
Reprofiling – Communications Security Establishment – Supporting New Activities	(1,500)			
Reprofiling – Maritime Information Management and Data Exchange (MIMDEX)	(3,000)			
Reprofiling – Marine Security Operations Centres	(6,587)			
Reprofiling – Secure Fleet Communications Project	(8,650)			



(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Reprofiling – Chemical, Biological, Radiological and Nuclear Research and Technology Initiative (CRTI)	(9,463)			
Reprofiling – Public Security and Anti-terrorism (Budget 2001)	(14,220)			
Employee Benefit Plan (EBP)	51,876			
To Planned Spending Levels				
Reinvestment of the proceeds from the sale of real property (2.a)		17,510		
Funding related to government advertising programs (horizontal item) (2.b)		10,000		
Civilian Pay Raises - TB Vote 15 (2.c)		8,524	5,957	5,957
Reprofiling – Chemical, Biological, Radiological and Nuclear Research and Technology Initiative (CRTI) (2.d)		6,015		
Reprofiling – Public Security and Anti-terrorism (Budget 2001) (2.d)		2,200		
Canadian Pension Plan coverage (2.e)		2,000	2,000	2,000
Incremental funding in Support of the Internal Audit Policy (2.f)		810		
Reinvestment of the royalties from intellectual property (2.g)		450		
Employee Benefit Plan (EBP)		1,784	1,367	1,367
Budget 2005 Announcement				
Strategic Capital Investments (2.h)		294,092	603,613	758,299
Budget 2006 Announcement				
Canada First - Non-Capital Investments (2.i)		601,000		
- Strategic Capital Investments (2.h)		19,456	17,000	49,000
Total Adjustments	1,121,632	963,840	629,937	816,623
Total Planned Spending	15,910,854	17,845,445	18,862,816	19,047,833
Less: Non-Respendable revenue	(611)	(25,584)	(600)	(627)
Plus: Cost of services received without charge	530,096	554,837	553,278	563,219
Total Departmental Spending	16,440,339	18,374,699	19,415,494	19,610,425

Source: Assistant Deputy Minister (Finance and Corporate Services)



Notes:

1. Due to rounding, figures may not add up to totals shown.
2. Expected approval of items in the adjustments to Planned Spending levels:
 - 2a: Following approval of the Department's Long Term Capital Investment Plan by Treasury Board the revenues from sales of real property will be sought through the 2007-08 Supplementary Estimates.
 - 2b: Approved by Treasury Board in October 2006. The funding will be sought through the 2007-08 Supplementary Estimates (A).
 - 2c: For 2007-08, spending authorities will be provided through the 2007-08 Supplementary Estimates (A). For 2008-09 and beyond, spending authorities will be provided through the 2008-09 Annual Reference Level Update.
 - 2d: Reprofitting adjustments approved in December 2006. The reprofiling adjustment will be sought through the 2007-08 Supplementary Estimates (A).
 - 2e: Approved in December 2006. Statutory authorities will be adjusted at year end for FY 2007-08 and part of baseline adjustment from 2008-09 and ongoing.
 - 2f: Spending authorities will be sought through 2007-08 Supplementary Estimates (A).
 - 2g: Spending authorities will be sought through 2007-08 Supplementary Estimates (A) upon proof of deposit to the Consolidated Revenue Fund (CRF).
 - 2h: Expenditure authority for either definition or implementation phase for Budget 2005 and 2006 major capital projects will be sought during fiscal year 2007-08.
 - 2i: Budget Announcement 2006 Canada First for 2007-08. Non-Capital Investment will be sought through 2007-08 Supplementary Estimates (A).

Human Resources – Full Time Equivalents (FTEs)

	Forecast FTEs 2006–2007	Planned FTEs 2007–2008	Planned FTEs 2008–2009	Planned FTEs 2009–2010
Military (Regular Force) ¹	64,878	66,737	67,347	67,957
Civilian ²	24,400	25,000	25,000	25,000
Total	89,278	91,737	92,347	92,957

Source: Chief of Military Personnel and Assistant Deputy Minister – Human Resources (Civilian) and VCDS - Chief of Programme

Notes:

1. Current fiscal framework limits Regular Force expansion up to 68,000 Average Paid Strength. This strategic limit does not include personnel seconded to OGDs (approx 300 FTEs) and Project Management Personnel Resource paid under Vote 5 projects (approx 400 FTEs). FY 07/08 Average Paid Strength includes approx 1,200 Class “C” Reservists to augment operationally deployed forces.
2. Current fiscal framework will limit civilian Salary Wage Envelope to 25,000 FTEs equivalent. Such envelope does not include personnel seconded to OGDs, Project Management Personnel Resource paid by Vote 5 projects and ongoing/proposed initiatives to convert professional contractor support to Public Service members.



Table 2: Voted and Statutory Items

(\$ Thousands)			
Vote or Statutory Item	Truncated Vote or Statutory Wording	2007-2008 Main Estimates	2006-2007 Main Estimates
1	Operating expenditures	11,848,854	11,155,813
5	Capital expenditures	3,592,868	2,267,832
10	Grants and contributions	210,451	191,721
(S)	Minister of National Defence salary and motor car allowance	75	73
(S)	Payments under the Supplementary Retirement Benefits Acts	7,020	9,000
(S)	Payments under Parts I-IV of the Defence Services Pension Continuation Act (R.S., 1970 c. D-3)	1,550	1,900
(S)	Payments to dependants of certain members of the Royal Canadian Air Force killed while servicing as instructors under the British Commonwealth Air Training Plan (Appropriation Act No. 4, 1968)	90	95
(S)	Contributions to employee benefit plans - Members of the Military	957,396	903,931
(S)	Contributions to employee benefit plans	263,300	258,857
	Total Department	16,881,605	14,789,222

Source: Assistant Deputy Minister (Finance and Corporate Services)

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

Note:

1. The Main Estimates of 2007-2008 are \$2,092.4 million higher than the Main Estimates of 2006-2007. This increase can be explained by the following: \$1,044.1 million in additional funding for Strategic Capital Investment announced in Budget 2005 and 2006, \$382.3 million to fund the expansion of the Canadian Forces, \$273.6 million to fund operations in Afghanistan, \$253.3 million for Pay and Allowance increases for Military and Civilian personnel, \$187 million to partially offset the loss of purchasing power due to price increases, \$100 million to address the shortfall in operating budgets (Sustainability), offset by a \$62.3 million reduction resulting from the planned procurement savings, a \$55 million reduction to fund the Department's share of the Expenditure Review Committee reallocations, and \$30.6 million in reductions for transfers and technical adjustments.

**Table 3: Services Received Without Charge**

(\$ Thousands)	2007-2008
Accommodation provided by Public Works and Government Services Canada (PWGSC)	71,747
Contributions covering employer's share of employees' insurance premiums and expenditures paid by the Treasury Board of Canada Secretariat (excluding revolving funds)	468,839
Worker's compensation coverage provided by Social Development Canada	11,258
Salary and associated expenditures of legal services provided by the Department of Justice Canada	2,994
Total 2007-2008 Services received without charge*	554,837

Source: Assistant Deputy Minister (Finance and Corporate Services)

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

Table 4: Summary of Capital Spending by Program Activity

(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Defence Services Program				
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces	2,256,142	3,685,877	4,514,658	4,720,356
Conduct Operations	213,410	196,508	181,458	147,590
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interests and Values	29,354	26,231	24,289	23,672
Total	2,498,906	3,908,616	4,720,405	4,891,618

Source: Assistant Deputy Minister (Finance and Corporate Services)

*Due to rounding, figures may not add up to totals shown

Note:

1. The Total Capital Spending of \$3,592,868 thousand reported on Table 2 Voted and Statutory Items equals the capital portion of the Main Estimates for fiscal year 2007-08. This capital table is showing \$3,908,616 thousand for fiscal year 2007-08. The increase of \$315,748 thousand is the adjustment from the Main Estimates to the Planned Spending figure for the Strategic Capital Investments (Budget 2005 and 2006), the reinvestment of proceeds from the sale of Real Property, and the reprofiling of funds for the Public Security and Anti-terrorism Initiative.



Table 5: Loans, Investments and Advances (Non-Budgetary)

(Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Defence Services Program				
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces				
Imprest Accounts, Standing Advances and Authorized Loans ^(Note 2)	(2,565)	2,583	(2,604)	2,625
Conduct Operations				
Imprest Accounts, Standing Advances and Authorized Loans ^(Note 2)	(279)	264	(243)	222
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interests and Values				
Imprest Accounts, Standing Advances and Authorized Loans ^(Note 2)	(156)	153	(153)	153
NATO Damage Claims ^(Note 1)	10	15	1	1
Total	(2,990)	3,015	(2,999)	3,001

Source: Assistant Deputy Minister (Finance and Corporate Services)

Notes:

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

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

**Table 6: Sources of Responsible and Non-Responsible Revenue**

Responsible Revenue				
(\$ Thousands)	Forecast Revenue 2006-2007	Planned Revenue 2007-2008	Planned Revenue 2008-2009	Planned Revenue 2009-2010
Defence Services Program				
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces				
Recoveries from Members	104,860	118,888	110,229	110,651
Recoveries from OGDs	10,824	12,272	11,379	11,422
Recoveries from Other Governments/UN/NATO	4,321	4,900	4,543	4,560
Other Recoveries	22,924	25,991	24,098	24,190
Subtotal	142,930	162,051	150,248	150,824
Conduct Operations				
Recoveries from Members	3,288	1,592	1,398	290
Recoveries from OGDs	611	296	260	54
Recoveries from Other Governments/UN/NATO	15,647	7,577	6,652	1,381
Other Recoveries	1,857	899	790	164
Subtotal	21,403	10,364	9,099	1,889
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interests and Values				
Recoveries from Members	923	1,005	1,025	984
Recoveries from OGDs	6,391	6,959	7,101	6,813
Recoveries from Other Governments/UN/NATO	191,834	208,883	213,152	204,496
Other Recoveries	5,222	5,686	5,802	5,567
Subtotal	204,370	222,533	227,081	217,859
Total Responsible Revenue	368,703	394,948	386,428	370,572
Non-Responsible Revenue				
Defence Services Program				
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces	35			
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interests and Values	576	25,584 ¹	600	627
Total Non-Responsible Revenue	611	25,584	600	627
Total Responsible Revenue and Non-responsible Revenue	369,314	420,532	387,028	371,199

Source: Assistant Deputy Minister (Finance and Corporate Services)

*Due to rounding, figures may not add up to total shown.

Note:

1. The FY 2007-08 estimates include \$25 million in non-responsible revenue pertaining to the negotiated payment due from Germany related to its share of the costs of any future cleanup of the training area at CFB Shilo of unexploded ordnance.



Table 7: Cost Estimates for CF International Operations

Operations	FY 2006-2007 (\$MILLIONS)		FY 2007-2008 (\$MILLIONS) Estimates	
	Full DND Cost	Incremental DND Cost	Full DND Cost	Incremental DND Cost
Africa				
IMATT – OP SCULPTURE (Sierra Leone)	1.8	.4	1.9	.5
MONUC – OP CROCODILE (DRC)	1.8	.4	1.7	.3
UNAMIS – OP SAFARI (Khartoum, Sudan)	3.9	1.5	5.6	1.5
AMIS – OP AUGURAL (Addis Ababa, Ethiopia)	4.3	3.1	34.1	32.5
Sub-Total	11.8	5.4	43.3	34.8
Arabian Gulf Region and South West Asia				
OP ALTAIR (South-west Asia)	22.3	10.0	-	-
OP ARGUS (Afghanistan/Kabul)	3.1	1.0	3.1	1.0
OP ATHENA – ISAF NATO (Afghanistan)	1,304.3	522.0	1,591.0	846.0
OP ARCHER – OEF (Afghanistan)	699.7	280.0	5.0	1.5
OP PLATEAU (Pakistan)	.6	.6	-	-
UNAMI – OP IOLAUS (Iraq)	.2	.1	.2	.1
Sub-Total	2,030.2	813.7	1,599.3	848.6
Americas and the Caribbean				
OP FOUNDATION (US CENTCOM Tampa)	1.8	.7	1.6	.5
MINUSTAH – OP HAMLET (Haiti)	.8	.1	.7	.1
Sub-Total	2.6	.8	2.3	.6
Europe				
OP BRONZE (Bosnia) (NATO)	1.3	.3	1.1	.1
OP BOREAS (Bosnia) (EUFOR)	2.0	.8	1.3	.1
OP SEXTANT – (HMCS ATHABASKAN & HMCS IROQUOIS) (NATO)	35.9	17.0	26.4	12.5
Sub-Total	39.2	18.1	28.8	12.7
Middle East				
UNDOF – OP DANACA (Golan Heights)	.2	.2	-	-
MFO (Multinational Force & Observers) – OP CALUMET (Sinai) non-UN	3.9	.7	3.7	.5
UNTSO – OP JADE (Middle East)	1.4	.3	1.2	.1
OP PROTEUS (Jerusalem)	.8	.4	.7	.3
UNFICYP – OP SNOWGOOSE (Cyprus)	.2	.1	.2	0
OP GLADIUS (Syria)	.5	.1	.5	.1
OP LION (Departure of Canadians from Lebanon)	5.8	4.1	-	-
Sub-Total	12.8	5.9	6.3	1.0
Common Costs				
Others (expenses related to more than one mission)	7.3	7.3	19.0	19.0
Sub-Total	7.3	7.3	19.0	19.0
Total: Operations	2,103.9	851.2	1,699.0	916.7
	UN Revenue to CRF	MFO Revenue to DND	Est UN revenue to CRF	Est UN/MFO revenue to DND
Revenues/Recoveries	.1	12.6	.1	7.8

Source: Assistant Deputy Minister (Finance and Corporate Services)

**Table 8: Capital Construction Program (Spending over \$60M)**

Projects listed below have been identified as either: (1) projects in which the estimated expenditure exceeds the delegated approval authority granted to DND by the Treasury Board (\$60 million), or (2) projects in which the risk is particularly high, regardless of the estimated amounts. All major capital construction projects fall under the Generate and Sustain Integrated Forces program activity. For fiscal 2007–2008, planned spending on major capital construction projects (>\$60M) represents 30% of total planned capital spending on construction.

IN SUPPORT OF GENERATE AND SUSTAIN INTEGRATED FORCES (\$ Thousands)	CURRENT ESTIMATED COST	CUMULATIVE SPENDING TO MARCH 31, 2007	PLANNED SPENDING 2007–2008	FORECAST SPENDING 2008–2009	FORECAST SPENDING 2009–2010	FUTURE YEARS REQUIREMENTS
Alberta						
Upgrade Roads/Utilities (Cold Lake)	60,820 (I)	2,290	7,860(S)	13,440(I)	8,530 (I)	28,700(I)
British Columbia						
Replace “A and B” Jetty (PD)	199,760 (I)	480	1,000 (S)	1,400 (I)	2,000 (I)	194,880 (I)
FMF Cape Breton (EPA) (PI)	136,310 (I)	106,270	16,910 (S)	12,800 (I)	330 (I)	0
Colwood Refuelling Upgrade (EPA) (PI)	64,035 (S)	60,730	3,305(S)			
New Brunswick						
RTA Sedimentation Remediation (Gagetown) (PPA)	73,680 (I)	4,270	3,810 (I)	6,400 (I)	6,400 (I)	52,800 (I)
Utilities Upgrade Gagetown (PPA)	80,400 (I)	18,160	21,720 (I)	12,840 (I)	16,020 (I)	11,660 (I)
Nova Scotia						
Replace Jetty NJ & NK1, Halifax	54,650 (I)	1,650	0	0	0	53,000 (I)
Newfoundland						
Pleasantville Consolidation (PPA)	88,450 (I)	1,520	4,840 (I)	17,730 (I)	18,070(I)	46,290 (I)
Quebec						
5 Svc Bn Facility, Valcartier	60,800 (I)	0	4,390 (I)	27,320 (I)	21,080	7,020 (I)
Ontario						
RMC Dormitories (EPA) Kingston (PI)	65,820 (S)	31,100	14,550 (S)	10,010 (S)	0	10,160(S)
Joint Experimentation Centre Ottawa (EPA) (PI)	63,920 (S)	5,560	24,890(S)	20,930 (S)	12,540 (S)	
Various						
Omnibus Cadet Support Training Centre	63,030(I)	18,160	19,630(S)	14,490(S)	10,750(S)	
Totals	\$1,011,675	\$250,190	\$122,905	\$137,360	\$95,720	\$405,500

Source: Assistant Deputy Minister – Infrastructure and Environment

*Based on date available as at 31 December 2006

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

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

<http://laws.justice.gc.ca/en/F-8.4/index.html>



Table 9: Details on Project Spending (Capital Equipment Program)

Projects listed in the table below have been identified as either: (1) projects in which the estimated expenditure exceeds the delegated approval authority granted to DND by the Treasury Board (\$30 million *with substantive cost estimates*), or (2) projects in which the risk is particularly high, regardless of the estimated amounts. All major capital equipment projects fall under the Generate and Sustain Integrated Forces program activity.

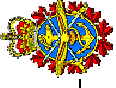
Project Number	Project Title and Phase	Current Estimated Total Cost	Planned Spending to 31 March 2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010	Future years Requirements
GENERATE AND SUSTAIN INTEGRATED FORCES							
Maritime Effects							
1487	Canadian Towed Array Sonar System (C/O)	120,926	120,651	275	0	0	0
2549	Submarine Capability Life Extension (I)	869,832	754,700	54,462	19,815	16,961	23,894
2573	Maritime Environmental Protection Project (I)	55,507	46,567	2,300	2,000	1,800	2,840
2586	Frigate Life Extension (D)	22,952	8,472	14,480	0	0	0
2640	Evolved Sea Sparrow Missiles (I)	504,000	485,194	5,253	10,146	3,407	0
2664 (I)	Advanced Electro-optic Sensor	240,528	77,872	44,766	47,182	37,393	33,315
2673	Joint Support Ship (D)	37,525	10,125	27,400	0	0	0
2680	Maritime Helicopter Project (I)	3,160,300	724,088	425,841	664,497	432,590	913,284
2783	Identification Friend or Foe (I)	38,176	794	601	5,689	6,172	24,920
2796	YAG 300 Training Vessel Replacement (I)	99,020	48,127	20,687	13,471	16,735	0
	TOTAL MARITIME EFFECTS	5,148,766	2,276,590	596,065	762,800	515,058	998,253



Project Number	Project Title and Phase	Current Estimated Total Cost	Planned Spending to 31 March 2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010	Future years Requirements
Land Effects							
58	Wheeled Light Armoured Vehicle Life Extension (I)	159,250	76,211	21,533	29,662	26,789	5,055
84	Army GPS Equipment Replacement (I)	43,963	27,564	9,653	2,845	3,901	0
276	Intelligence, Surveillance, Target Acquisition & Reconnaissance (D)	134,715	101,900	23,500	9,315	0	0
731	Mobile Gun System (Work Suspended Pending Government Decision to Terminate Project) (D)						
1070	Armoured Patrol Vehicle (I)	123,683	101,665	18,606	3,412	0	0
1203	Armoured Heavy Support Vehicle (I)	108,247	2,020	96,739	4,731	4,757	0
1204	Light Armoured Vehicle Remote Weapon System (I)	41,272	8,248	33,024	0	0	0
1436	Low Level Air Defence Modernization (I)	1,093,179	1,084,289	8,890	0	0	0
2058	Weapons Effect Simulator (I)	108,002	96,316	9,791	1,895	0	0
2346	Medium Support Vehicle System (D)	24,585	4,187	20,398	0	0	0
2349	Light Utility Vehicle Wheeled (I)	298,400	290,500	7,900	0	0	0
2536	Role Three Health Support (I)	42,453	40,274	2,179	0	0	0
2556	Canadian Forces Point Biological Agent Detection, Sampling and Identification Project (I)	48,155	10,220	17,935	15,000	5,000	0
2637	Armoured Personnel Carriers (I)	2,343,695	2,047,834	138,196	101,923	24,344	31,398



Project Number	Project Title and Phase	Current Estimated Total Cost	Planned Spending to 31 March 2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010	Future years Requirements
2652	Multi Mission Effects Vehicle (Work Suspended Pending Gov't Decision to Terminate Project) (D)	-	-	-	-	-	0
2684	Improved Landmine Detection System (I)	33,663	32,590	1,073	0	0	0
2731	Armoured Personnel Carriers Life Extension (I)	345,939	327,272	18,667	0	0	0
	TOTAL LAND EFFECTS	4,949,201	4,251,090	428,084	168,783	64,791	36,453
Air Effects							
86	Operational Flight Program (I)	111,521	39,164	21,624	12,162	11,910	26,661
113	Advanced Distributed Combat Training System (I)	187,675	151,551	12,165	23,757	202	0
180	CF-18 Multi-purpose Display Group Project (I)	98,761	61,625	222	36,914	0	0
273	CF-18 Advanced Multi-role Infrared Sensor (I)	186,060	651	45,656	47,668	52,085	40,000
295	Aurora Communication Management System Replacement (I)	89,745	63,413	16,753	9,579		0
317	Aurora Electro-optical System Replacement (C/O)	49,162	47,457	1,705	0	0	0
410	Aurora - Flight Deck Simulator (C/O)	40,862	37,428	3,434	0	0	0
423	Aurora - Electronic Support Measures Replacements (I)	194,457	112,838	27,843	29,066	24,710	0



Project Number	Project Title and Phase	Current Estimated Total Cost	Planned Spending to 31 March 2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010	Future years Requirements
428	Aurora - Imaging Radar Acquisition (I)	280,018	134,678	35,061	54,207	48,238	7,834
451	Primrose Lake Evaluation Range TSPI System (I)	42,615	23,614	7,459	11,542	0	0
536	Aurora - Operator Mission Simulator (I)	44,633	6,021	2,050	9,992	8,510	18,060
583	CF18 - Engineering Change Proposal 583 (I)	987,308	830,324	23,656	67,414	65,914	0
609	Fixed Wing Search and Rescue Project (D)	8,200	4,937	3,263			0
743	Tactical Control Radar Modernization (I)	36,764	100	5,668	11,139	12,581	7,276
1007	Medium to Heavy Lift Helicopter Project (D)	8,488	5,233	3,255	0	0	0
1036	Airlift Capability Project (Tactical) (D)	6,297	2,897	3,400	0	0	0
1117	Airlift Capability Project (Strategic) (I)	1,609,000	144,000	1,060,000	405,000	0	0
1686	CF18 - Advanced Air to Air Weapon - Short Range (I)	36,685	21,262	2,090	5,333	4,000	4,000
2320	Military Automated Air Traffic System (I)	164,865	151,300	6,161	4,020	3,384	0
2371	Advanced Navigation and Precision Approach (I)	97,830	69,166	22,423	6,241	0	0
2517	Canadian Forces Utility Tactical Transport Helicopters (I)	1,093,100	1,073,018	5,800	14,282	0	0
2526	Region/Sector Air Operation Centre (I)	134,668	124,867	9,801	0	0	0



Project Number	Project Title and Phase	Current Estimated Total Cost	Planned Spending to 31 March 2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010	Future years Requirements
2619	Air Combat Manoeuvring Instrumentation System (I)	33,290	31,400	1,890	0	0	0
2657	CC150 Strategic Air-to-Air Refuelling (SAAR) (I)	126,253	117,300	8,953	0	0	0
2678	Canadian Search and Rescue Helicopter Project (I)	779,239	770,516	6,123	2,600	0	0
2754	CF-18 Advanced Medium Range Air-to-Air Missile (I)	138,488	70,982	6,382	11,250	10,548	39,326
5832	CF18 - Engineering Change Proposal - Phase 2 (I)	413,394	123,807	103,014	84,742	54,101	47,730
	TOTAL AIR EFFECTS	6,999,378	4,219,549	1,445,851	846,908	296,183	190,887
Joint Unified and Special Operations							
224	Defence Information Services Broker (I)	37,910	23,836	14,074	0	0	0
402	Canadian Forces Joint Experimentation (I)	30,992	4,432	18,753	7,807	0	0
439	Allied Vaccine Development Project (I)	31,684	20,751	1,331	3,698	3,147	2,757
625	Polar Epsilon Joint Space-Based Wide Area Surveillance and Support (I)	57,509	3,849	4,060	12,900	17,400	19,300
2272	Material Acquisition and Support Information System (I)	179,164	178,302	862	0	0	0
2398	Joint Command System (I)	32,965	22,394	4,377	6,194	0	0
2400	Defence Integrated Human Resource System (I)	87,200	81,588	4,677	935	0	0



Project Number	Project Title and Phase	Current Estimated Total Cost	Planned Spending to 31 March 2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010	Future years Requirements
2469	Canadian Forces Command System I (CFCS) (C/O)	65,416	64,983	433	0	0	0
2800	Canadian Forces Health Information System (I)	49,345	28,143	21,202	0	0	0
2803	Protected Military Satellite Communications (I)	507,543	320,685	32,393	58,310	38,592	57,563
Various	Canadian Cryptographic Modernization Project (D)	102,988	21,590	27,448	22,326	8,113	23,511
XXXX	Clothe The Soldier Omnibus Project (I)	276,617	218,897	35,290	22,430	0	0
	TOTAL JOINT UNIFIED AND SPECIAL OPERATIONS	1,459,333	989,450	164,900	134,600	67,252	103,131
	TOTAL PROGRAM ACTIVITIES	18,556,678	11,736,679	2,634,900	1,913,091	943,284	1,328,724

Source: Assistant Deputy Minister (Materiel)

Legend: D = Definition I = Implementation

C/O = Close Out

**Table 10: Status Report on Major Crown Projects**

Major Crown Projects that have cost estimates in excess of \$100 million and are considered to be high risk by the Treasury Board are listed below.

- 1. Frigate Life Extension (FELEX)**
- 2. Submarine Capability Life Extension**
- 3. Joint Support Ship (JSS)**
- 4. Maritime Helicopter Project (MHP)**
- 5. Armoured Personnel Carriers**
- 6. Mobile Gun System (MGS)**
- 7. Multi Mission Effects Vehicle (MMEV)**
- 8. Light Utility Vehicle Wheeled (LUVW)**
- 9. Intelligence Surveillance, Target Acquisition and Reconnaissance (ISTAR)**
- 10. Medium Support Vehicle System (MSVS)**
- 11. Armoured Heavy Support Vehicle System (AHSVS)**
- 12. Canadian Forces Utility Tactical Transport Helicopter (CFUTTH) Project**
- 13. Canadian Search and Rescue Helicopter Project**
- 14. Military Automated Air Traffic System (MAATS) Project**
- 15. Airlift Capability Project – Tactical (ACP-T)**
- 16. Airlift Capability Project – Strategic (ACP-S)**
- 17. Medium-To Heavy-Lift Helicopter (MHLH)**
- 18. Protected Military Satellite Communications (PMSC)**
- 19. Material Acquisition And Support Information System (MASIS)**
- 20. Canadian Cryptographic Modernization Project**

Supplementary information on these Major Crown Projects can be found at:

http://www.tbs-sct.gc.ca/rpp/0708/info/ps-dp_e.asp.

**Table 11a: Summary of Transfer Payments by PAA**

(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Grants				
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces	157	152	162	162
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interests and Values	5,335	5,360	5,360	5,360
Sub-total Grants	5,492	5,512	5,522	5,522
Contributions				
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces	20,381	20,627	20,705	20,785
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interests and Values	177,116	192,972	197,685	218,318
Sub-total Contributions	197,497	213,599	218,390	239,103
Total Grants and Contributions	202,989	219,111	223,912	244,625

Source: Assistant Deputy Minister (Finance and Corporate Services)

*Due to rounding, figures may not add up to total shown.

Table 11b: Details of Transfer Payment Programs over \$5 Million

Description (\$ Thousands)	Type	Forecast Spending 2006–2007	Planned Spending 2007–2008	Planned Spending 2008–2009	Planned Spending 2009–2010
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces					
Supplementary Retirement Benefit Act (SRBA) Payments	S	6,800	7,020	7,020	7,020
Contributions in Support of the Capital Assistance Program (CAP)	C	355	5,450	5,450	5,450
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interest and Values					
Contribution Program for the Promotion of the Defence Diplomacy Objectives Implemented by the Military Training Assistance Programme	C	10,000	10,000	10,000	10,000
NATO Military Budget	C	44,698	63,333	68,108	72,578
NATO Security Investment Program	C	52,110	55,647	61,267	69,076
NATO Airborne Early Warning and Control Program	C	62,388	55,030	48,904	57,163
Total Transfer Payments over \$5 million		176,351	196,480	200,749	221,287
Total Transfer Payment		202,989	219,111	223,912	244,625
Percentage of Transfer Payment over \$5 million		86.9%	89.7%	89.7%	90.5%



Total Spending per PAA		Forecast Spending per PAA 2006–2007	Planned Spending per PAA 2007–2008	Planned Spending per PAA 2008–2009	Planned Spending per PAA 2009–2010
Generate and Sustain Relevant, Responsive and Effective Combat-Capable Integrated Forces		20,538	20,779	20,867	20,947
Contribute to Canadian Government, Society and International Community in Accordance with Canadian Interest and Values		182,451	198,332	203,045	223,678
Total		202,989	219,111	223,912	

Source: Assistant Deputy Minister (Finance and Corporate Services)

*Due to rounding, figures may not add up to total shown.

Legend: S = Statutory C = Contribution

Further information on these programs can be found at:

http://www.tbs-sct.gc.ca/rpp/0708/info/ps-dp_e.asp

Table 12: Alternate Service Delivery

Over the next three years, National Defence will use significant new ASD initiatives for the following programs and/or services.

- 1. Contracted Airborne Training Services (CATS)**
- 2. Wheeled Light Armoured Vehicle (WLAV) Life Cycle Support Project**
- 3. Canadian Forces Station Alert Modernization Project**
- 4. DND/Montfort Hospital Collaborative Arrangement**
- 5. Information Management Services Transformation Project**

Further information on these ASD initiatives can be found at:

http://www.tbs-sct.gc.ca/rpp/0708/info/ps-dp_e.asp.

**Table 13: Sustainable Development Program****1. SDS Departmental Goal:**

Since its first Sustainable Development Strategy (SDS) was tabled in Parliament, Defence has focused on the overarching goal of integrating environmental considerations into decision-making at every level of the organization. Our environmental vision, as set out in the 2006 version of the Defence SDS, and our Defence Administrative Order and Directive 4003-0 reiterate the SDS departmental goal. The content of the Defence SDS explains in detail the nature and extent of the integration of environmental considerations in DND.

2. Federal SD Goal including Greening of Government Operations (GGO) goals:

Defence focuses equally on all the goals, objectives and targets (or “commitments”) made in the SDS since it is considered the Minister’s plan for achieving sustainability within the organization. Implementation of the fourth iteration of our SDS will begin on April 1st, 2007. Our efforts will focus on four strategic commitments, each supported by measurable and time-bound sub-commitments (“targets”). The four strategic commitments are:

- Develop a framework of land use management putting our lands on a “steady state” footing of sustainability;
- Actively promote the application of innovative “Green Building” principles and share lessons learned with the broader federal community;
- Implement a proactive and comprehensive “Green Procurement” program across the Defence organization; and,
- Actively and innovatively prevent negative environmental impacts of specific activities over which Defence can exercise a mitigating influence.

Each of these strategic commitments relates to one or more federal SD goal (specifically the GGO element of those goals). A detailed “crosswalk” establishing the linkages is included in the Defence SDS at Table 4, page 33 of the document. The document is available on the Internet at: http://www.admie.forces.gc.ca/dge/SDS/SDS2006_e.htm.

3. Performance Measure from current SDS

Our strategic commitments are supported by a total of 16 sub-commitments that provide concrete indications of our progress toward achievement of the strategic commitments. Each of these sub-commitments comprises a concise statement of the desired end state (example, Strategic Commitment 4.2, “Reduce the long-term impact of releases to the environment”) supported by objective indicators (“Increase the recovery of lead by 5% from the 2003-2004 baseline”) and supporting actions (“Screen backstop material on small arms ranges to recover metal fragments; Investigate the use of alternate backstop/bulletstop designs that facilitate metal recovery”). These sub-commitments or targets are set out in detail in Table 1 page 23 of the Defence SDS document, which is available on the Internet at: http://www.admie.forces.gc.ca/dge/SDS/SDS2006_e.htm.

In addition, Guidance sheets to support each of the sub-commitments are produced to



provide those responsible for implementing the target with the name and coordinates of a subject-specific expert for each target, the definition and scope of the sub-commitment, an action plan for achieving it and a template to ensure uniform data collection.

4. Department's Expected Results for fiscal 2007–2008

As noted above, each of the four strategic commitments is supported by a number of specific sub-commitments that are measurable, time-bound targets that taken together, result in successful discharge of the commitments. Since our commitments are largely multi-year in nature (i.e. exceeding the three-year reporting cycle of the SDS process), our targets do not lend themselves to measurement of a precise annual percentage of completion. Rather, the data reported annually through the chain of command is analyzed and graded as a: “target exceeded” (if the three year goal has been achieved before completion of the three year cycle); “target met” (applicable only at the end of each three-year cycle); “target on track” (where progress in a given year indicates that the target can be met for the three-year reporting); or “progress unsatisfactory” (where analysis indicates that meeting the target will be problematic based on analysis of the data submitted through the annual reporting exercise).

In short, we expect to report “target on track” for each of the 16 targets that support our strategic commitments for fiscal 2007–2008.

In addition, we monitor the untargeted performance of a further four activities that are of continuing interest to the sustainable development community. This exercise provides the data that may be required for government-wide reporting and allows Defence to identify unexplained and significant variances that would warn of the need for corrective action up to and including re-introducing the activity as a targeted activity in a future SDS.

Source: Assistant Deputy Minister (Infrastructure and Environment)

**Table 14: Internal Audits and Evaluations**

A list of upcoming internal audits and evaluations pertinent to Defence for fiscal 2007–2008 follows:

Name of Internal Audit/Evaluation	Audit and/or Evaluation type	Status	Expected Completion Date *
Audit of Capital Assets – Repairable Spare Parts	Audit	Planned but not started	TBD
IT Security Audit	Assurance	Conduct	Phase 1 – 31 May 07
Audit of Reserve Pay	Assurance	Conduct	Phase 1 – 30 Mar 07
Audit accuracy and efficiency of Financial Coding Practices	Audit	Planning - Started Jan 07	TBD
Audit of Year-end Spending	Audit	Planning	TBD
Safeguarding of Physical Assets	Audit/TBD	Planning	TBD
National Search and Rescue Program and National Search and Rescue Secretariat governance	Audit	Conduct	Fall 2008
Special Forces Operational Capability/Covert Operations	Evaluation	Planned start in late 2007	TBD
Canada Command 2007/2008	Evaluation	Planned	TBD
Functional Accountabilities for CF Command and Control Structure	Evaluation	Reporting	Spring 2007
APC Intellectual Property	Audit – Capital Acquisition	Reporting	April 2007
Capital Acquisition Risk Assessment	Audit – Capital Acquisition	Reporting	April 2007
Ammunition Program- Ammunition Procurement	Evaluation	Reporting	TBD
Security Clearance Process	Assurance	Reporting	30 Jan 07
IT Asset Management	Audit Review	Reporting	10 Jan 07
TCCS Maintenance Contract	Audit – Contract Management	Reporting	April 2008
Selected Navy Subsystem Maintenance Contracts	Audit – Contract Management	Planning	December 2008
MCDV Maintenance Contract	Audit – Contract Management	Planning	September 2009
202 Workshop Depot (review)	Review – Material Management	Reporting	April 2007
Pearson Peacekeeping Center	Evaluation	Reporting	April 2007
CF Capabilities in the North	Evaluation	In-progress	TBD
Maintenance/currency of CF Doctrine	Evaluation	Review	Spring 2007
DND/CF Harassment Program	Evaluation	Reporting	Spring 2007
Military Moves	Audit	Reporting	Draft February 2007
High-Risk Contracts – Goods Contracts (Risk assessment)	Audit – Contract Management	Draft Report	April 2007



Name of Internal Audit/Evaluation	Audit and/or Evaluation type	Status	Expected Completion Date *
High Risk Contracts – Financial Transactions	Audit – Financial Management	Draft Report	April 2007
FMT Cost Recovery Audits	Cost Recovery Audit	Planning	Conduct complete 30 Mar 07
Foreign Military Sales Follow Up	Audit	Reporting	Draft Mar/Apr 07
Local Construction Engineering	Review	Conduct	June 2007
Inventory Pricing	Audit	Reporting	Draft Mar/Apr 07
Khandahar PRT	Evaluation	Conduct	Fall 2007
Defence Ethics Program	Evaluation	Planning	TBD
CRTI	Eval – formative	Reporting	April 2007
CRTI	Eval –summative	Planning	April 2008
Construction Acquisition	Evaluation	Reporting	Spring 2007
MTAP	Evaluation	Planning	2008
Civilian HR Service Delivery	Audit	Review	March 2008
CP 140 Maintenance Contracts	Audit - Contract Management	Draft Report	April 2007
CC150 Maintenance Contract	Audit – Contract Management	Draft Report	April 2007
CP 140 Data Management System	Audit – Contract Management	Conduct	August 2007
CF 118 Maintenance Contract	Audit – Contract Management	Conduct	August 2007
FELEX Project	Audit – Capital Acquisition	Planning	August 2009
C 130 Maintenance Contract	Audit – Contract Management	Conduct	August 2007
Combat System Engineer Support Contract	Audit – Contract Management	Final Report	January 2007
Joint Support Ship	Audit – Capital Acquisition	Planning	August 2009

Source: Chief Review Services

Note: Since none of these reports are finished, there are no links to them at this time.

Further information on the Department’s internal audit and evaluation plan is available at: http://crs.ottawa-hull.mil.ca/local/knowledge/documents/CRS WorkPlan-06-07_e.pdf



Human and Financial Resources Tables on Selected Defence Portfolio Organizations

**Table 1: Reserve Force
Primary Reserve Planned Expenditures**

Primary Reserve Full Cost Estimate

The Primary Reserve accounts for 6.7% of the total Defence Services Program. The costs are divided into four categories: direct, indirect, attributed and capital costs. This method of reporting is intended to provide greater clarity on the makeup of the total costs of the Primary Reserve.

Direct expenditures include funds specifically budgeted for the Primary Reserve such as pay, travel and goods and services which are locally procured.

Indirect expenditures reflect the Primary Reserve share of departmental resources, which are controlled centrally. Included are ammunition, equipment operating costs, clothing and the cost of maintaining facilities such as armouries.

Attributed expenditures are departmental overhead costs, which are allocated, for reporting purposes, to all activities including the Primary Reserves. In reality, these costs do not vary directly as a function of activity and would largely be incurred whether the Primary Reserve existed or not.

Capital expenditures are shown for the year in which payments have been made, and do not reflect an amortization of cost over the life of the asset. The capital expenditures can vary significantly from one year to the next, depending on priorities established within the capital equipment plan and the cash flow requirements of individual projects.

Type of Expenditure (\$Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008
Reserve Pay ¹	553,110	540,456
Regular Support Staff		
	143,153	146,178
Reserve Operating	79,440	84,440
Subtotal Direct²	775,703	771,074
Ammunition	28,984	29,132
Equipment Usage	65,758	67,262
Clothing	14,573	14,683
Facility Operating	29,868	30,376
Subtotal Indirect	139,182	141,453
Base Support	217,340	221,287
Training	8,037	8,238
Subtotal Attributed	225,377	229,525
Subtotal Primary Reserve Operating	1,140,262	1,142,052
Dedicated Capital	17,530	30,676
Shared Capital	36,668	31,219
Subtotal Capital	54,198	61,895
Total Primary Reserve Costs	1,194,460	1,203,947

Source: Vice Chief of the Defence Staff and Assistant Deputy Minister (Finance and Corporate Services)

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

Notes:

- Variance of \$(12,654K) between 2006-07 Forecast Spending and 2007-08 Planned Spending Reserve Pay is due to in-year pressures for support to deployed operations and temporary replacements of Regular Force positions.
- Direct pay and operating amounts do not reflect forecasted/planned spending involving members of the Canadian Rangers, the Cadet Instructors Cadre or the Supplementary Reserve sub-components. They do however include the cost of employing Primary Reservists in positions that would normally be occupied by the Regular Force.



Table 2: Communications Security Establishment

Resources – Financial by Fiscal Year				
(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Vote 1 – Salary and Personnel	128,939	128,291	128,291	128,291
Vote 1 – Operating and Maintenance	62,230	59,956	58,840	59,718
Sub-total Vote 1	\$191,169	\$188,247	\$187,131	\$188,009
Vote 5 - Capital	40,671	26,411	26,981	27,558
Grand total¹	\$231,840	\$214,658	\$214,112	\$215,568

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

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

Note:

1. Variation between 2006-07 and the future years is explained by a carry forward from 05-06 into 06-07 of \$6.3M for activities related to Support for Lawfull Access. Also, renewal of Public Security and Anti-Terrorism-Critical Infrastructure Program (PSAT-CIP) starting in 07-08 for \$8.2M is pending approval by Treasury Board.

Table 3: Office of the Judge Advocate General

Resources – Financial by Fiscal Year				
(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Vote 1 – Salary and Personnel ¹	5,666	5,704	5,712	5,339
Vote 1 – Operating and Maintenance	2,805	2,951	3,138	3,135
Sub-total Vote 1	\$8,471	\$8,655	\$8,850	\$8,474
Vote 5 - Capital	33	153	153	155
Grand total	\$8,504	\$8,808	\$9,003	\$8,629
Corporate Account				
Vote 1 – Crown Liabilities	222	225	229	232
Grand Total	\$8,726	\$9,033	\$9,231	\$8,861

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

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

Note:

1. The decrease in Salary and Personnel between 2008-09 and 2009-10 is explained by the end of the Comprehensive Information Management Project.



Table 4: Office of the Ombudsman for the Department of National Defence and the Canadian Forces

Resources – Financial by Fiscal Year				
(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Vote 1 – Salary and Personnel	3,473	3,841	3,841	3,841
Vote 1 – Operating and Maintenance	2,025	2,603	2,642	2,682
Sub-total Vote 1	\$5,499	\$6,444	\$6,483	\$6,523
Vote 5 - Capital	87	190	192	195
Grand total¹	\$5,586	\$6,634	\$6,675	\$6,718

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

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

Note:

1. Variation between 2006-07 and the planned years is explained by a reorganisation that will increase the number of people.

Table 5: Defence Research and Development Canada

Resources – Financial by Fiscal Year				
(\$ Thousands)	Forecast Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010
Vote 1 - Salary and Personnel ¹	105,172	98,921	100,490	100,571
Sub-total Vote 1 Salary and Personnel	105,172	98,921	100,490	100,571
Vote 1 - Operating and Maintenance	36,631	32,570	34,408	36,190
Vote 1 - Research & Development Contracts	85,866	84,000	84,000	84,000
Vote 1 - Environment	2,800	3,000	3,000	3,000
Vote 1 - Canadian Centre for Mine Action Technologies (CCMAT) ⁴	1,000			
Vote 1 - Centre for Security Science (CSS) ²	25,876	41,486	38,326	45,616
Vote 1 - Revenue	(2,500)	(3,500)	(3,500)	(3,500)
Sub-total Vote 1 Operating and Maintenance	149,673	157,556	156,234	165,306
Total Vote 1	254,845	256,477	256,723	265,877
Vote 5 - Capital ³	27,900	7,490	7,650	7,659
Vote 5 - Counter Terrorism Technology Centre (CTTC) ⁴	2,500			
Vote 5 - Centre for Security Science (CSS) ²	3,400	6,000	7,000	9,000
Total Vote 5	33,800	13,490	14,650	16,659
Grand Total	288,645	269,967	271,373	282,536

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

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

Notes:

1. The decrease in Salary and Personnel between 2006-07 and the future years is explained by the Terminable Allowances for Defence Scientists of \$5.3M.



2. CSS is an amalgamation of CRTI (Chemical, Biological, Radiological and Nuclear (CRBN) Research and Technology Initiative) and PSTP (Public Security Technical Program). The planning numbers include the budget for both organizations.

The planned spending in Vote 1 for the future years includes a reprofiling of CRTI of \$10.5M in 2007-2008, \$7M in 2008-2009 and \$16M in 2009-2010 and funding for PSTP of \$2.4M in 2007-2008, \$3.7M in 2008-2009 and \$4.0M in 2009-2010.

The planned spending in Vote 5 for the future years has been approved as is by Treasury Board.

3. The decrease in Capital between 2006-2007 and the future years is mostly explained by the purchase of equipment.

4. CCMAT and CTTC programmes terminate in 2006-2007.

Table 6: National Search and Rescue Secretariat Resource Overview

The following tables reflect the federal partners' forecasts of the financial and personnel resources allocated to the National SAR Program. These resources are included in individual departmental RPPs and are presented here as collective resource information for the horizontal National SAR Program.

For more information concerning the National Search and Rescue Secretariat see

www.nss.gc.ca

Table 6a: Resources – Financial by Fiscal Year

(\$ Thousands)	Forecast Spending 2006-07	Planned Spending 2007-08	Planned Spending 2008-09	Planned Spending 2009-10
Vote 1 - Salary and Personnel	1,543	1,601	1,601	1,601
Vote 1 - Operating and Maintenance	1,015	1,058	1,102	1,118
Sub-total Vote 1	\$2,558	\$2,659	\$2,703	\$2,718
Vote 5 – Capital ^{1,2}	81	1,414	2,701	4,195
Vote 10 - Grants and Contributions	1,964	4,190	4,190	4,190
Total	\$4,603	\$8,262	\$9,594	\$11,103

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

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

Notes:

1. The above figures are net of transfers to other government departments and to other Department of National Defence organizations for Search and Rescue New Initiatives Fund projects: \$7,048K for FY 2006-07, \$2,782K for FY 2007-08, \$1,493K for FY 2008-09 and none for FY 2009-10.

2. Vote 10 includes \$190K contribution as Canada's share of the costs for the "Cosmicheskaya Sistyema Poiska Avariynich Sudov"- "Search and Rescue Satellite-Aided Tracking" COSPAS-SARSAT Secretariat and \$4,000K for contributions in support of Search and Rescue New Initiatives Fund.

**Table 6b: Search and Rescue (SAR) Personnel Requirements (FTEs)**

	Forecast 2006-07	Planned 2007-08	Planned 2008-09	Planned 2009-10
National Search and Rescue Secretariat	23	23	23	23
Environment Canada - Meteorological Service of Canada	17	17	17	17
Parks Canada	64	64	64	64
Canadian Coast Guard ¹	N/A	N/A	N/A	N/A
Department of National Defence – Canadian Forces	637	619	619	619
RCMP ²	N/A	N/A	N/A	N/A
Transport Canada ³	2.85	2.85	2.85	2.85
Total	812.85	812.85	812.85	812.85

Source: National Search and Rescue Secretariat

Notes:

1. FTE figures for the Canadian Coast Guard were not available because CCG operations involve multi-tasking.
2. The RCMP is unable to provide exact costs as it relates to personnel requirements due to the fact that personnel are tasked with a wide variety of duties one of which is SAR. The SAR expenditures nationally would be substantial.
3. TC has no mandate for primary SAR response and does not identify or dedicate resources to these activities. The level of personnel commitment to SAR prevention work is represented in the table above.

Table 6c: Costs by Participating Department/Organization

(\$ Thousands)	Forecast Spending 2006-07	Planned Spending 2007-08	Planned Spending 2008-09	Planned Spending 2009-10
National Search and Rescue Secretariat ¹	4,603	8,262	9,594	11,103
Environment Canada - Meteorological Service of Canada	2,100	2,100	2,100	2,100
Parks Canada	5,959	5,959	5,959	5,959
Canadian Coast Guard	104,000	103,800	103,600	103,600
Department of National Defence – Canadian Forces	101,503	101,402	102,837	102,837
RCMP ²	N/A	N/A	N/A	N/A
Transport Canada ³	628.2	628.2	628.2	628.2
Total	218,793.2	222,151.2	224,718.2	226,227.2

Source: National Search and Rescue Secretariat

Notes:

1. Changes due to transfers of funding from SAR New Initiatives Fund (NIF) to other departments for implementation of SAR New Initiatives Fund projects. This includes the transfer of \$7,048K for FY 2006-07, \$2,782K for FY 2007-08, and \$1,493K for FY 2008-09 and none for FY 2009-10.
2. As the resource allocations for SAR are provided under provincial auspices no figures are available for RCMP federal SAR activity. RCMP supports other departments with multi-tasked assets when required.
3. TC has no mandate for primary SAR response and does not identify or dedicate resources to these activities. The level of financial commitment to SAR prevention work is indicated in the table above.



Section IV: Additional Information

Appendix A – Legislation and Regulations Administered

The Minister of National Defence is responsible to Parliament for many statutes, and is assigned relevant responsibilities in the administration of many laws and regulations. The comprehensive list is available at:

http://www.vcds.forces.gc.ca/dgsp/00native/rep-pub/ddm/rpp/rpp07-08/appA_e.pdf

Appendix B – Key Partners and Stakeholders

DND and the CF work with many partners in Canada and abroad that help support the Defence mission, programs and activities. The broad scope of the Defence mandate is reflected in the complexity and diversity of its partners and stakeholders. To view the comprehensive list of Defence partners and stakeholders, visit:

http://www.vcds.forces.gc.ca/dgsp/00native/rep-pub/ddm/rpp/rpp07-08/appB_e.pdf

Appendix C – Defence Strategy Map

The DND/CF Strategy Map and an explanation of its causally linked strategic objectives is located at: http://www.vcds.forces.gc.ca/dgsp/00native/rep-pub/ddm/rpp/rpp07-08/strat-map_e.pdf



Appendix D – Contacts

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Internet sites on the World Wide Web

Department of National Defence	http://www.forces.gc.ca
Office of the Judge Advocate General	http://www.forces.gc.ca/jag/main_e.asp
Office of the Ombudsman for National Defence and the Canadian Forces	http://www.ombudsman.forces.gc.ca/
National Search and Rescue Secretariat	http://www.nss.gc.ca/
Defence Research & Development Canada	http://www.drdc-rddc.gc.ca
Communications Security Establishment	http://www.cse-cst.gc.ca/
Defence Planning and Management	http://www.vcds.dnd.ca/dgsp/pubs/dp_m/management_e.asp
Defence Plan On-Line	http://www.vcds.dnd.ca/DPOnline/Main_e.asp



Appendix E – List of Acronyms

A

ACP-S	Airlift Capability Project – Strategic
ACP-T	Airlift Capability Project – Tactical
ADDN	Automated Defence Data Network
ADM (HR-Civ)	Assistant Deputy Minister (Human Resources – Civilian)
ADR	Alternate Dispute Resolution
AEU	Air Expeditionary Units
AFCCIS	Air Force Command and Control Information System
AHSVS	Armoured Heavy Support Vehicle System
AoA	Add-on-Armour
AOR	Area of Responsibility
APS	Active Protection Systems
ASD	Alternative Service Delivery

C

C	Contribution
C/O	Close Out
C2	Command and Control
C2IS	Command and control information system
C4I	Command, Control, Communications, Computers, Intelligence
C4ISR	Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance
Canada COM	Canada Command
CANSOFCOM	Canadian Special Operations Forces Command
CAP	Capital Assistance Program
CAS	Chief of the Air Staff
CATS	Contracted Airborne Training Services
CBP	Capability Based Planning
CBRN	Chemical, Biological, Radiological and Nuclear
CCG	Canadian Coast Guard
CCMAT	Canadian Centre for Mine Action Technologies
CCTG	Composite Contingency Task Group
CDA	Canadian Defence Academy
CDI	Chief of Defence Intelligence
CDS	Chief of the Defence Staff
CEFCOM	Canadian Expeditionary Forces Command
CF	Canadian Forces
CF EW/SIGINT	CF Electronic Warfare/Signal Intelligence
CF ITP	CF Integrated Training Plan
CF JHQ	Canadian Forces Joint Headquarters
CFACC	Combined Forces Air Component Command
CFB	Canadian Forces Base
CFCS	Canadian Forces Command System



CFDS	Canada First Defence Strategy
CFIOG	Canadian Forces Information Operations Group
CFLC	Canadian Forces Liaison Council
CFLRS	Canadian Forces Leadership and Recruit School
CFPSA	Canadian Forces Personnel Support Agency
CFPSU	Canadian Forces Protective Services Unit
CFUTTH	Canadian Forces Utility Tactical Transport Helicopter
CIC	Cadet Instructor's Cadre
CIS	communication and information systems
CLS	Chief of the Land Staff
CM	Capability Management
CMP	Chief of Military Personnel
CMS	Chief Maritime Staff
COSPAS-SARSAT	Cosmicheskaya Sistyema Poiska Avariynich Sudov"- "Search and Rescue Satellite-Aided Tracking
CRF	Consolidated Revenue Fund
CRTI	Chemical, Biological, Radiological and Nuclear Research and Technology Initiative
CS	Computer Systems
CSE	Communications Security Establishment
CSS	Centre for Security Science
CTTC	Counter-Terrorism Technology Centre

D

D	Definition
DART	Disaster Assistance Response Team
DDSM	Director Defence Strategic Management
DFO	Department of Fisheries and Oceans
DMC	Defence Military Committee
DND	Department of National Defence
DOMSSP	Directorate Omnibus Mounted Soldier Survivability Project
DP	Defence Plan
DRDC	Defence Research and Development Canada

E

EBP	Employee Benefit Plan
EN	Engineering
EPA	Effective Project Approval
ERC	Expenditure Review Committee
ERP	Enterprise Resource Planning
ESA	Essential Services Agreements

F

FELEX	Frigate Life Extension
FFH	Helicopter Carrying Frigate



FMT	Foreign Military Training
FTE	Full Time Equivalent
FWSAR	Fixed Wing Search And Rescue
GGO	Greening of Government Operations
GL	General Labour
HCM	Halifax-Class Modernization
HR	High Readiness
HUMINT	Human Intelligence
I	
I	Implementation
IC2S	Integrated Command and Control System
ICSAR	Interdepartmental Committee on Search and Rescue
IED	Improvised Explosive Device
IM Gp	Information Management Group
IM	Information Management
IRM	Integrated risk management
ISR	Intelligence, Surveillance and Reconnaissance
ISTAR	Intelligence Surveillance, Target Acquisition and Reconnaissance
IT	Information Technology
J	
JCR	Junior Canadian Rangers
JIFC	Joint Information and Intelligence Fusion Capability
JSF	Joint Strike Fighter
JSS	Joint Support Ship
JTF	Joint Task Forces
JTFN	Joint Task Force North
L	
LAV	Light Armoured Vehicles
LFC	Land Force Command
LFC2S	Land Force Command and Control System
LFRR	Land Force Reserve Restructuring
LSAS	Local Situational Awareness Systems
LUVW	Light Utility Vehicle Wheeled
M	
MAATS	Military Automated Air Traffic System
MAF	Management Accountability Framework
MASIS	Material Acquisition And Support Information System
MCDV	Maritime Coastal Defence Vessel
MCOIN	Maritime Command Information Network
MFO	Multinational Force and Observers



MGS	Mobile Gun System
MHLH	Medium-To Heavy-Lift Helicopter
MHP	Maritime Helicopter Project
MIMDEX	Maritime Information Management and Data Exchange
MMEV	Multi Mission Effects Vehicle
MMHS	Military Message Handling System
MOSART	Military Occupation Structure Analysis, Redesign and Tailoring
MOU	Memorandum of Understanding
MRRS	Management, Resources and Results Structure
MSOC	Marine Security Operations Centres
MSS	Mission Support Squadron
MSVS	Medium Support Vehicle System
MTAP	Military Training Assistance Program
 N	
NAFO	Northwest Atlantic Fisheries Organization
NATO	North Atlantic Treaty Organization
NBC	Nuclear, Biological and Chemical
NORAD	North American Aerospace Defence
NORTHCOM	Northern Command
NSS	National Search and Rescue Secretariat
 O	
OEF	Operation Enduring Freedom
OGDs	Other Government Departments
OSS	Operational Support Squadron
 P	
PAA	Program Activity Architecture
PAT	Personnel awaiting training
PD	Project Director
PG	Purchasing and Supply
PMF	Performance Management Framework
PMSC	Protected Military Satellite Communications
PPA	Preliminary Project Approval
PRL	Primary Reserve List
PRT	Provincial Reconstruction Team
PSAT-CIP	Public Security and Anti-Terrorism-Critical Infrastructure Program
PSFD	Production, Sustainment and Follow-On Development
PWGSC	Public Works and Government Services Canada
PY	Person years
 R	
R&D	Research and Development



R&S	Readiness and Sustainment
RCMP	Royal Canadian Mounted Police
RDS	Ready Duty Ship
RFID	Radio frequency identification
RPP	Report on Plans and Priorities
S	
S	Statutory
S&T	Science and Technology
SAR NIF	Search and Rescue New Initiatives Fund
SAR	Search and Rescue
SCSC	Single-Class Surface Combatant
SD	Sustainable Development
SDS	Sustainable Development Strategy
SEER	Strategic Exercise and Experimentation Reserve
SIGINT	Signals Intelligence
SNMG 1	Standing NATO Maritime Group 1
SNMG	Standing NATO Maritime Group
SO	Ship Operations
SR	Ship Repair
SR	Standard Readiness
SRBA	Supplementary Retirement Benefit Act
SWE	Salary Wage Envelope
T	
TBS	Treasury Board Secretariat
TC	Transport Canada
TCCCS	Tactical Command and Control Communications System
TDP	Technical Demonstration Program
TSSUs	Tactical Self-Sufficient Units
TTCP	Technical Co-operation Program
U	
U.S.	United States
UAVs	Unmanned aerial vehicles
UN	United Nations
USN	United States Navy
V	
VCDS	Vice Chief of Defence Staff
W	
WLAV	Wheeled Light Armoured Vehicle



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