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# National Defence

## Performance Report

For the period ending

March 31, 2003

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

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## **Minister's Message**

I am pleased to present to Parliament and the people of Canada the 2002-2003 Departmental Performance Report for the Department of National Defence and the Canadian Forces. Each year, this report provides an opportunity to recognize the achievements and evaluate the challenges faced by the dedicated and highly professional men and women who make up Canada's Defence team.

As Minister of National Defence, I am very proud of the quality of work and level of commitment put forth by members of this Department and the Canadian Forces. It is a testament to their hard work that Defence is now very well positioned to move forward as it prepares for the future.

This past year has been marked by many achievements as well as significant challenges. None affected Defence more broadly than our military commitment to the campaign against terrorism. Operation APOLLO, Canada's military contribution to the U.S.-led Operation Enduring Freedom, has already involved some 7,000 Canadian Forces soldiers, sailors and air men and women. The Canadian Forces returned more recently to Afghanistan to serve with the UN-mandated, NATO-led International Security Assistance Force in the Afghan capital of Kabul. Over the next year, nearly 4,000 Canadian Forces personnel will serve with ISAF, and early in 2004, Canada will represent the largest ISAF contingent and will assume command of the mission under Lieutenant-General Rick Hillier who is currently the Chief of the Land Staff.

While the Canadian Forces continue to perform admirably in Afghanistan, Canada's participation has not come without cost. It was with sadness that four of their members lost their lives and eight were injured in a tragic friendly fire incident in April 2002. In October 2003, two Canadian Forces members were killed and three others were injured while on patrol in Kabul. While recognizing that the risks are high, Canada's efforts in Afghanistan speak to our longstanding desire to help others in need and to defeat the scourge of terrorism and ensure our own domestic security.

Canada's military commitment to ISAF is part of a comprehensive, multi-dimensional Government of Canada "3-D" approach - defence, development and diplomacy - that will contribute to the stabilization and reconstruction of Afghanistan. In addition to our military commitment, the Government has opened an embassy in Kabul and is contributing \$250 million to reconstruction and development.

These efforts are in addition to our on-going commitment of 1,227 personnel to NATO's Stabilization Force in Bosnia and the deployment of Canadian Forces personnel on UN missions in the Middle East, Africa, and Southwest Asia.

No doubt our armed forces faced a high operational tempo over the last year. As a Government, we face a balance between wanting to step up to the plate and wanting to avoid undue strain on our members and their families. We recognize this and steps are being taken to address this issue through our ongoing quality of life initiatives and by reassessing, in consultation with our allies, our current commitments.

In parallel with our contribution to the international campaign against terrorism, Defence moved forward on a number of initiatives to strengthen public safety and security, as part of the Government's comprehensive, multi-year strategy to enhance the security of Canadians following the events of September 11th. This included significant progress by the Communications Security Establishment, Defence Research Development Canada and the Office of Critical Infrastructure

Protection and Emergency Preparedness in their respective activities. In addition, we have nearly doubled the capability of Joint Task Force 2 and improved the capabilities of the Disaster Assistance Response Team.

Defence also continues to work closely with Canada's closest defence partner, the United States. The Bi-National Planning Group, created on December 9, 2002, will help enhance North American security by augmenting our ability to respond jointly to threats should emergencies - from earthquakes to terrorist attacks - occur in North America.

Further, in May 2003, the Government of Canada announced its decision to enter into discussions with the United States on Canada's possible participation in ballistic missile defence for North America. The Government is committed to protecting Canadians, Canadian territory and other Canadian interests against possible threats to our security, both current and future. That is why we believe that it is in Canada's interest to explore options regarding Canadian participation in ballistic missile defence. The final decision will rest with the Government.

Defence also remains committed to maintaining a fair and effective military justice system. In March 2003, I asked former Chief Justice of the Supreme Court of Canada Antonio Lamer to conduct an independent review of Bill C-25 (An Act to Amend the National Defence Act) as required by the Act every five years. Former Chief Justice Lamer has presented his report to me, which I am currently reviewing and must submit to Parliament no later than 10 December 2003.

We also made significant progress on institutional initiatives related to modernization, quality of life, leadership and professional development, health care, recruitment and retention and communications. The restructuring of the Land Force Reserve is also well underway. We met our personnel targets for this fiscal year and continued growth is planned in 2003-04, as we work to develop an effective and credible army reserve relevant to our defence needs.

All of these accomplishments show that Defence is making a difference both at home and abroad. These efforts notwithstanding, there is more work to be done. The Department of National Defence and the Canadian Forces must transform if they are to remain relevant to the evolving security environment.

The world remains a dangerous place as global security challenges continue to evolve in the wake of September 11th, 2001. Our country faces new and complex threats, ranging from global terrorist attacks against our critical infrastructure, to the proliferation of conventional weapons, ballistic missile technology, and weapons of mass destruction. Modern peace operations have also become more challenging and more perilous, and new doctrines and technologies are transforming the way militaries conduct operations.

While Defence is in a strong position to address these challenges, it must further adapt to these new realities. This means we must re-examine how we approach and think about the security environment, what this means for what we do at home and abroad and how we do it. This requires changes on three fronts: our military force structure and doctrine, our organization and management structures and our decision-making processes.

During the fall of 2002, I asked the Department to conduct a Defence Update, which involved stakeholder discussions and on-line consultations with the Canadian public. The results of this update confirmed that additional funding was required and senior leadership established that \$1 billion would make the defence program sustainable, over the short to medium term.

The Government responded to this need, and committed to increase defence spending by \$800 million per year in Budget 2003. This represents the largest single increase in funding in a decade and is the fourth consecutive budget increase for Defence by this Government. This new money will make us sustainable over time as resources are phased into the defence program and will help us move forward with transformation. Resources have been earmarked to address key pressure areas, such as operations, recruitment and training, equipment, spare parts, infrastructure replacement needs and the Reserves.

In addition, I committed to allocating \$200 million from lower to higher priorities within the defence budget by the end of 2003. To contribute to this effort, I appointed an Advisory Committee on Administrative Efficiency to provide advice on any issues related to administrative efficiency, broadly defined, within DND and the CF, and the material and acquisition process.

The Committee recently submitted its report to me, which I am reviewing in consultation with the Deputy Minister and the Chief of the Defence Staff. The Committee's work, along with ongoing efforts within the Department to find further efficiencies, will contribute to the reallocation of \$200 million.

Now is the time for Defence to build on its recent momentum and accelerate its efforts to transform the armed forces and establish a new course for the future.

Looking ahead, tough decisions will be required. As Minister of National Defence, I have an obligation to ensure that we invest in the capabilities that Canada requires now and in the future. We must continue to make the changes necessary to adapt effectively to the evolving security environment. We must be innovative and forward-looking. And we must redirect our resources from low to high priority areas in order to transform our armed forces for the future.

This means making choices and setting priorities and we are already doing this. The choices being made are selective, strategic and asymmetric with one goal in mind: to achieve sustainability and accelerate the ongoing process of transformation.

We will nurture transformational thinking and leadership, and ensure our personnel have the right skills and support by continuing to invest in our people. Our modernization efforts will focus on taking advantage of new information technologies and on joint combat capability and interoperability, rapid reaction and deployability, and research and development. Given the nature of the security environment, Defence must enhance its relations and partnerships, particularly with other government departments and agencies contributing to the Government's public security agenda. Finally, we will ensure that Defence is managed effectively, which will improve our defence capabilities and help accelerate the transformation process.

To achieve these results, our priorities for fiscal year 2003-2004 are:

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

I am confident that our Defence team will rise to the challenge of meeting these priorities, and continue to succeed in all areas of our mandate. Through their concerted efforts, we will succeed in transforming Defence for the challenges of the future and ensure that it remains a vital and modern institution ready to meet Canada's defence requirements. This report acknowledges the many successes achieved by this institution over the past year, and also the challenges that it faced.

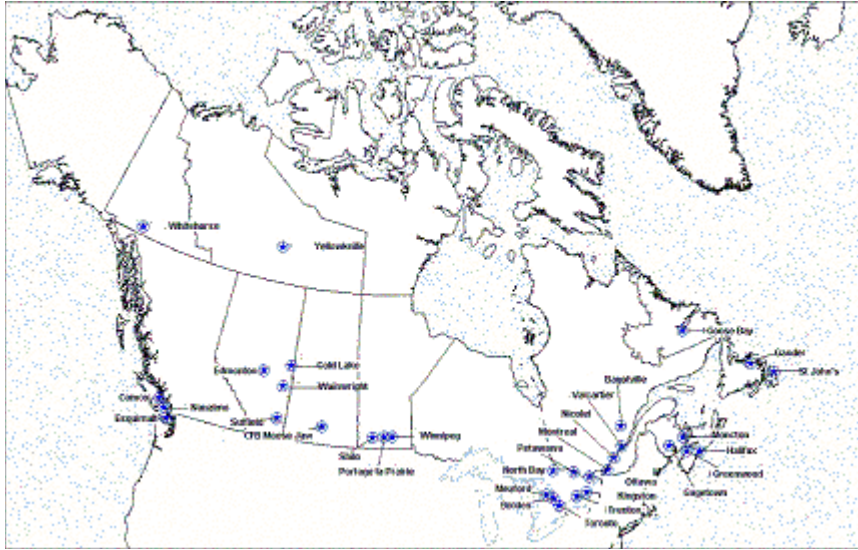


The Honourable John McCallum, P.C.,  
M.P.  
Minister of National Defence

## **PART I: THE BENEFITS OF DEFENCE INVESTMENT**

The Department of National Defence (DND) and the Canadian Forces (CF) make important contributions to the safety, security and well-being of Canadians - from protecting Canadians and safeguarding Canada's interests and sovereignty, to working with the United States in the defence of North America, and contributing to international peace and security.

DND and the CF perform essential functions of government, including protecting Canadian sovereignty, monitoring and patrolling Canada's coastlines and aerospace, delivering disaster relief, supporting other government departments and agencies, and helping enforce Canadian law.



Together, they form one of Canada's most visible national institutions. In addition, over 300 Reserve units, 125 Canadian Ranger patrols and over 1,100 Cadets units and Junior Ranger patrols further extend the presence of the CF. Taken together, these units act as an important link between the CF and the community at large. In total, Defence has a presence in every province and territory, and in more than 3,000 communities across the country.

The CF also plays a key role in maintaining peace and international stability, which is inextricably linked to our prosperity and national well-being. Our prosperity as a nation depends on trade and investment, which in turn depends on an open and secure border with the U.S. and a stable global framework. The CF contributes to these objectives through a range of activities, including providing security and stability to areas torn by conflict, which thereby enables the promotion of human rights, freedom and democracy.

## The Defence Mission

**The mission of the Department of National Defence and the Canadian Forces is to defend Canada and Canadian interests and values while contributing to international peace and security.**

To accomplish this mission, DND and the CF maintain a range of capabilities and deliver a variety of defence services designed to contribute to:

- the security of Canadians;
- the defence of our sovereignty;
- continental security; and,
- international stability.

Within Canada, key defence services include:

- surveillance and control of Canadian approaches and territory;
- support to other government departments and agencies such as the [Department of Fisheries and Oceans](#), the Department of Foreign Affairs and International Trade, [Environment Canada](#), and the [Royal Canadian Mounted Police](#) (RCMP);
- [National Search and Rescue](#) services;
- assistance to civil authorities;
- aid of the civil power, delivered pursuant to section 275 of the [National Defence Act](#);
- support to the federal response to terrorist and other asymmetric threats;

- [critical infrastructure protection and emergency preparedness](#); and,
- support to major international events held in Canada.

National Defence contributes to broader **national priorities**, as outlined in the [Speech from the Throne](#). These include protecting the security of Canadians, promoting Canadian interests on the world stage, and securing trade and commerce by ensuring peace and stability.

Through the work of the CF at home and abroad, Defence has also become an important part of Canada's history, heritage, and identity.

Defence helps to make Canada a leader in innovation and learning by providing a challenging and rewarding career option and by fostering professional development and education through the Canadian Defence Academy and its embedded units, including the Royal Military College.

Defence provides opportunities for Inuit and Aboriginal communities through the [Canadian Rangers](#) and the [Junior Canadian Ranger Program](#), and supports youth training through the [Cadet](#) program. It is also a major federal sponsor and advocate of research and development through the work of the [Defence Research and Development Canada](#) and performs an extensive environmental stewardship role.

Defence also strengthens partnerships between the Government and its citizens by reaching out to and communicating with Canadians, parliamentarians, and stakeholders.

In **North America**, DND and the CF contribute to continental defence in co-operation with the United States (U.S.). To this end, the CF operates more than 50 radar sites across Canada as part of the North Warning System. The CF and the armed forces of the U.S. share intelligence and security information on an ongoing basis, and train together in joint and combined exercises. Canada and the U.S. are partners in [NORAD](#), which has a bi-national command structure. In total, Canada and the U.S. are co-signatories of more than 80 treaty-level [defence agreements](#) and 250 memoranda of understanding. Canada-U.S. military cooperation was further enhanced with the formation of the Canada-U.S. [Bi-National Planning Group](#) in December 2002. This group will help coordinate the sharing and exchange of information about potential threats from a terrorist attack to a natural disaster and will improve the abilities of both countries to respond to a wide range of emergencies.

**Internationally**, Canada participates in multilateral operations mounted by the [United Nations \(UN\)](#) and, the [North Atlantic Treaty Organization \(NATO\)](#). The CF makes significant contributions to several major international programs, including bilateral training, [NATO Flying Training in Canada](#), the [Partnership for Peace](#) initiative, and the [Military Training Assistance Program](#). The CF also supports a wide range of arms control activities, maintains the ability to respond rapidly to humanitarian emergencies worldwide through the [Disaster Assistance Response Team \(DART\)](#), and to protect and evacuate Canadians from areas threatened by conflict.

These services and activities carried out in support of the Defence mission are performed simultaneously by the same people, and by means of the same equipment and infrastructure.

## The Defence Portfolio

The Defence mission is carried out by the Department of National Defence (DND), the Canadian Forces (CF) and several other related organizations and agencies, including the following:

- the [Communications Security Establishment](#);
- [Defence Research and Development Canada](#); and,
- the [Office of Critical Infrastructure Protection and Emergency Preparedness](#).



The CF also maintains and supports:

- a police service, comprised of the Military Police and the National Investigation Service, operating under the [Canadian Forces Provost Marshal](#);
- a justice system, administered under the superintendence of the [Judge Advocate General](#);
- the [Canadian Cadet Program](#) and the [Junior Canadian Rangers](#);
- the [Canadian Forces Housing Agency](#);
- the [Canadian Forces Personnel Support Agency](#);
- the [Canadian Defence Academy](#);
- medical and dental services, since Canadian Forces members are excluded from both, the list of insured persons covered under the [Canada Health Act](#) of 1984 and the list of insured persons provided coverage under the Treasury Board-sponsored Public Service Health Care Plan;
- firefighting services;
- chaplaincy services; and,
- extensive communications networks in Canada and abroad.

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

- the [Canadian Forces Grievance Board](#);
- the [Military Police Complaints Commission](#);
- Minister's Monitoring Committee on Change;
- the [National Search and Rescue Secretariat](#);
- the [National Defence and Canadian Forces Ombudsman](#); and,
- the [Office of the Judge Advocate General](#).

In fiscal year 2002-2003, the [Ministers Advisory Committee on Administrative Efficiency](#) was established.

## Organization and Accountability

[The National Defence Act](#) establishes DND and the CF as separate entities operating in close co-operation under the authority of the Minister of National Defence. Accountability in DND and the CF is described in detail in Organization and Accountability: Guidance for Members of the Canadian Forces and Employees of the [Department of National Defence](#). Additional information on the accountability of selected defence portfolio organizations and agencies is found in Part IV of this report. Specific accountability for results and associated performance measurement areas at the Assistant Deputy Minister level are detailed in the [Defence Plan On-Line](#). An organizational chart of the Defence portfolio can be found in Part VII of this report.

## PART II: 2002-2003 performance highlights

Fiscal year 2002-03 was an important one for the Department of National Defence and the Canadian Forces.

Defence's activities were heavily shaped by its military contribution to the campaign against terrorism, Operation APOLLO (see below). Nearly every part of the organization contributed to this effort. Despite the significant resource and operational tempo demands of this operation, and other ongoing commitments, the Canadian Forces continued to carry out its missions successfully.

Defence also moved forward on a number of initiatives to strengthen public safety and security, as part of the Government's comprehensive, multi-year strategy to enhance the security of Canadians following the events of September 11th.

The fiscal year concluded with Defence receiving the largest increase in its budget in over a decade with an injection of \$800 million to its baseline funding per year. This increase will make us sustainable over time and will help us accelerate the transformation of the Canadian Forces.

## Public Safety Anti-Terrorism Initiatives

In [Budget 2001](#), DND received an additional \$1.2 billion through to fiscal year 2006-07 to:

- Increase the capability of JTF2.
- Enhance signals intelligence and computer network defence.
- Develop a dual-use nuclear, biological, chemical (NBC) defence capability to support CF deployed operations or, if requested, to support civilian first-responders in a domestic situation.
- Enhance and rationalize the Forces' NBC equipment.
- Increase the CF's holdings of NBC medical countermeasures and improve stock maintenance.
- Enhance DART's contingency-planning capacity and provide for some additional domestic response capability when the unit is deployed overseas. (p.31)
- Ensure that the CF and Canadian first-responders are adequately prepared to protect Canadian interests by upgrading and consolidating the facilities required to provide training, advice and technological support to the CF, Canadian first-responders, and other government departments.

Transformation, however, will require tough decisions. The changing security environment continues to place significant demands on Defence, making it a challenge to pursue long-term plans and priorities. However, we need to balance the demands of current commitments and operations with the need to transform. Defence is in the process of making tough choices about how to modernize its force structure and capabilities to meet the future defence needs of Canada. To this end, corporate priorities were established and progress was made in implementing many of the initiatives we set out at the beginning of fiscal year 2002-03.

## Delivering on Operations

Over the period of 2002-03, the CF deployed over 10,000 personnel on domestic and international operations. Canada remained an active player on the world stage. Over 5,000 personnel were deployed outside of Canada.

The number of international operations in which the CF participated was reduced to 14 this fiscal year from 23 in 2001-02. Nevertheless, Canada had on average throughout the year over 2,500 deployed personnel on international peace support and coalition operations including Afghanistan, Bosnia, Ethiopia and Eritrea. Although the number of international operations is lower than in 2001-02, the impact on the CF was significant given the number of deployed troops being sustained at any point in time. Despite the operational tempo, CF personnel were highly successful in delivering on all the missions assigned to them by the Government.

A description of the CF's international operations and associated costs are found in Part VII of this report. The most current information on CF operations is available on-line at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.forces.gc.ca/site/operations/current\\_ops\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.forces.gc.ca/site/operations/current_ops_e.asp).

The CF also continued to contribute to Canada's arms control and confidence-building activities. A description of the CF's arms control and verification missions is found in Part VII of this report.

## The International Campaign against Terrorism (Operation APOLLO)

Since October 2001, Canada has continued to play a major role in the international campaign against terrorism. Some 5600 Canadian Forces personnel were deployed this fiscal year (and 7000 since October 2001) as



part of Operation APOLLO, Canada's military contribution to the U.S.- led Operation Enduring Freedom. At its peak, Canada was the fourth largest contributor to the international coalition. Our contribution represents our largest overseas deployment of the Canadian Forces since the Korean Conflict. The accomplishments of our soldiers, sailors and air force personnel were significant. Outlined below are the Navy, Army and Air Force contributions.

## Navy

Since early October 2001, the Navy has maintained an intense operational tempo. Despite being the smallest of the three armed services, it nevertheless sent the largest Canadian contribution to the campaign against terrorism. Of 7,000 CF members deployed, 4,200 were sailors, with 300 deployed twice. The Navy deployed 83 percent of its major warship fleet and 95 percent of its sea-going personnel.

While representing just 20 percent of coalition naval forces, the Navy conducted almost 50 percent of all naval boardings and hailings of merchant vessels. By the second anniversary of the September 11th attacks, it had conducted almost 600 of 1300 coalition boardings, an average of nearly two a day for the duration of the operation. It was also Canadian warships that escorted the US Marines' Amphibious Assault Group prior to and during their deployment to Kandahar, Afghanistan.

All of these activities contributed significantly to the effort to cut off al-Qaeda and Taliban sea routes of escape and helped to combat the illegal smuggling of oil, drugs, alcohol and other goods. For example, HMCS ALGONQUIN, working with a French warship, apprehended four suspected al-Qaeda members as they were heading out of area.

The "personnel tempo" of course matched the operational tempo. Canadian ships stayed at sea for longer sustained periods than the ships of any other coalition navy, with the exception of the United States Navy. For example, HMC Ships IROQUOIS and CHARLOTTETOWN each spent 74 continuous days at sea, while HMCS VANCOUVER was out for 79 days, the longest continuous at-sea period for a Canadian warship.

During the Navy's two-year long deployment to the northwest Arabian Sea, Canadian warships offered aid that is traditional to seafarers in distress. In one case HMCS VANCOUVER came to the aid of a disabled dhow carrying 45 people adrift for a week.

## Army

The Army performed equally admirably to Canada's ongoing commitment to the campaign against terrorism. The Army's contribution consisted of 850 personnel deployed to Kandahar, Afghanistan:

- the [3rd Battalion, Princess Patricia's Canadian Light Infantry](#) (3 PPCLI) Battle Group, which included a reconnaissance squadron from [Lord Strathcona's Horse](#) (Royal Canadians), and combat service support elements from 1 trathcona's Horses Service Battalion; and,
- a rifle company of 130 soldiers from the 2nd Battalion, Princess Patricia's Canadian Light Infantry.

On April 17, 2002 an aerial bomb was accidentally dropped on soldiers of the 3 PPCLI Battle Group who were conducting a live-fire exercise at Tarnak Farm, a designated training area about five kilometres south of the Kandahar airfield. Four soldiers were killed and eight others were injured. A Board of Inquiry was convened to investigate the incident and portions of the [Board's Final Report](#) have been made public.

In May 2002, about 400 Canadian soldiers participated in a three-day coalition operation in the Tora Bora region of Afghanistan, called Operation TORII. Their mission was to find Taliban and al-Qaeda cave complexes, gather information about terrorist operations in the area, and destroy the cave complexes to prevent terrorists from using them in future. During this operation, burial sites were discovered and forensic teams extracted DNA evidence with potential intelligence value.

Between June 30 and July 4, 2002, most of the 3 PPCLI Battle Group deployed to Zabol Province, about 100 kilometres northeast of Kandahar airfield, to establish a coalition presence there for the first time. During this deployment, CF personnel conducted a sweep operation in conjunction with the Afghan National Army in the Shin Kay Valley that

produced information about recent al-Qaeda and Taliban activities. They also recovered several rockets, fostered relations with the governor of the province, and distributed humanitarian aid (blankets, food, school supplies) to the local people.

Once the 3 PPCLI Battle Group redeployed to Canada in August 2002, the Army continued to contribute both staff and observer positions in the theatre of operations and at the Central Command Headquarters in the United States.

In February 12, 2003, the Minister of National Defence announced on behalf of the Government that Canada would contribute a battalion group and a brigade headquarters to the NATO-led International Security Assistance Force (ISAF) for a period of one year beginning in August 2003.

## **Air Force**

The Air Force's contribution to Operation APOLLO was equally significant, constituting one of the largest deployments of aircraft and personnel in a decade. During the fiscal year, over 500 airmen and women (1700 since 2001) and four different aircraft types were deployed in theatre.

Specifically, the Air Force deployed a Strategic Airlift Detachment using the CC-150 Polaris (Airbus A310), a Tactical Airlift Detachment using the CC-130 Hercules, 13 individual Helicopter Air Detachments flying the CH-124 Sea King helicopter and a Long Range Patrol Detachment using the CP-140 Aurora.

The Strategic Airlift Detachment, comprised of 34 personnel using a CC-150 Polaris, provided strategic airlift in theatre and flew 587 hours during 270 missions. The detachment transported 2,350 passengers and 3.5 million kilogram (7,685,379 pounds) of freight with a mission completion rate of 88.6 percent.

The Tactical Airlift Detachment, comprised of approximately 180 personnel, using three CC-130 Hercules, provided tactical airlift in theatre and flew 4,374 hours during 637 missions. The detachment transported 5,327 passengers and over 5.5 million kilogram (12 million pounds) of freight with a 93 percent mission completion rate.

The Helicopter Air Detachments, of 219 aircrew and maintenance personnel flying up to six CH-124 Sea King helicopters at any given time, provided ocean surveillance, re-supply, medevac and personnel transfers in direct support of naval operations in theatre. The detachment's mission completion rate was 94 percent.

The Long Range Patrol Detachment, using two CP-140 Auroras and employing approximately 100 air and ground crew, conducted maritime patrols in theatre. They contributed significantly to the interdiction and boarding of numerous vessels, as well as the interception of contraband shipments moving within theatre. In total, this detachment flew 4,300 hours in over 500 missions with a mission completion rate of 98 percent.

## **Logistics and Command, Control and Communications**

The Navy, Army and Air Force could not have carried out their tasks without the appropriate logistical support and command, control and communications.

### **Logistics**

The logistical complexity of Operation APOLLO led to the consolidation of the individual units originally deployed to support the Air Force detachments, the 3 PPCLI Battle Group and the Canadian Naval Task Group to form a National Support Unit (NSU). Formed on April 17, 2002 the purpose of the NSU was to deliver centralized administrative and logistics support services to CF units deployed on Operation APOLLO. The revised command and control arrangements, implemented during this operation, proved to be effective. The strength of the NSU stood at about 250 CF members.

While it was deployed in Afghanistan, the Strategic Line of Communication (SLOC) Unit, made up of 50 soldiers, supported the 3 PPCLI Battle Group. The SLOC Unit returned to Canada by the end of August 2002.

### **Command, Control and Communications**

The CF units and formations committed to Operation APOLLO were organized under the Commander, Joint Task Force South West Asia (JTFSWA). The headquarters of the JTFSWA was the Canadian National Command Element (NCE), located at [MacDill Air Force Base](#) near Tampa, Florida, and it employed approximately 50 CF members. The NCE linked the Chief of the Defence Staff in Ottawa with the U.S. senior military leadership, and with the various CF units assigned to Operation APOLLO. These units remained under Canadian command, operating under Canadian rules of engagement, and in compliance with Canadian law.

In May 2002, the National Command, Control and Information System Squadron (NCCIS Sqn) was created to organize communications for the CF personnel and units deployed on Operation APOLLO. The NCCIS Sqn provided the Canadian Joint Task Force Commander and the commanders of deployed CF units with national communications and information systems capabilities. At its peak, the strength of the CCIS Sqn was about 90 CF personnel; at the end of the fiscal year, it comprised about 60.

## **G-8 Summit (Operation GRIZZLY)**

The CF's largest domestic operation involved the deployment of close to 6,000 troops in support of the G8 Summit, held in Kananaskis, Alberta in June 2002. In addition to our significant personnel commitment, Operation GRIZZLY involved hundreds of vehicles and aircraft deployed in support of various government departments. The span of tasks was diverse including ceremonial support for arriving VIPs; aviation and ground transport; ground perimeter security; and air defence security.

While responsibility for security was vested in the RCMP, CF involvement in support of the security aspects was significant and involved the deployment of the majority of the 1<sup>st</sup> Canadian Brigade Group, [CF-18s](#), [CC-130s](#), the largest concentration of [CH-146 Griffon](#) helicopters in several years, as well as ground-based and air-based air defence weapon systems.

The air defence capability was coordinated through NORAD, specifically through the ongoing Operation NOBLE EAGLE, where Canada and U.S. forces monitor and intercept flights of interest approaching and within continental North America regardless of origin, and remain ready to assist civil authorities should the need arise. The CF contributed significantly to the success of the G8 Summit ensuring that the Government's objectives were realized. Department received \$4.2 million in incremental funding to offset costs associated with Operation GRIZZLY.

Lessons were learned during this operation, including the need to establish a special office under the Deputy Chief of the Defence Staff to facilitate coordination with various other government departments and agencies involved in international domestic activities. The need to establish standing Rules of Engagement for domestic operations is also being considered.

## **Progress on Priorities for 2002-2003**

As outlined in [National Defence's Report on Plans and Priorities](#) for fiscal year 2002-03, the corporate priorities of the Department of National Defence and the Canadian Forces were:

- Responding to the new security environment ;
- Putting people first ;
- Optimizing defence and security capabilities;
- Maximizing management effectiveness, and;
- Enhancing relationships .

These priorities were set in response to the risks, challenges and opportunities facing Defence as outlined in the next section. They represent areas that the Minister of National Defence and senior Defence leadership have identified as requiring attention, extra effort and re-investment. Over the last year, we have made significant progress on many initiatives in support of our corporate priorities. Our progress, along with the \$800 million baseline increase in defence funding, provides us with the firm footing required to move forward with transformation and prepare for the future. While

many of the activities and initiatives supporting our corporate priorities are described throughout the report, below are highlights of key achievements in support of our priorities.

## **Responding to the new security environment**

Following the events of September 11, 2001, the Government committed \$7.7 billion over five years in the budget of December 2001 to enhance the safety and security of Canadians. As part of this, the Department of National Defence and the Canadian Forces received an additional \$1.2 billion to contribute to the international campaign against terrorism, to enhance counter-terrorism, intelligence, research and development, and emergency response capabilities and provide national leadership on critical infrastructure protection and effective emergency management. Over the last year, Defence has made significant progress in delivering on these priorities.

As mentioned above, the CF contributed to the international campaign against terrorism through Operation APOLLO, where our military contribution consisted of over 5,600 soldiers, sailors and air force personnel from October 2001 to the end of this fiscal year. They continue to deliver on this priority through their current participation in Operation ATHENA, the International Security Assistance Force in Afghanistan. The Canadian Forces are also well on their way to doubling the capability of Joint Task Force 2.

Defence enhanced its counter-terrorism, intelligence, research and development capabilities by improving the capacity of Disaster Assistance Response Team through new equipment, improved infrastructure and enhanced relations with other disaster response agencies; expanding CSE's counter-terrorism capabilities, including its ability to identify vulnerabilities and threats to Government networks; and, through Defence Research Development Canada, beginning construction began on the Counter Terrorism Technology Centre in Suffield, Alberta which is expected to be operational by the end of 2003 and will help train first responders from across Canada to react to incidents involving biological or chemical agents. DRDC is also spearheading the Chemical, Biological, Radiological, and Nuclear Research and Technology Initiative that will strengthen Canada's preparedness for a CBRN attack.

Through the Office of Critical Infrastructure Protection and Emergency Preparedness, Defence enhanced Canada's critical infrastructure and emergency-response capabilities. This includes improving the federal government's ability to deliver a coordinated response to emergencies; developing the Government of Canada Critical Infrastructure Protection project to identify, assess and protect the Government's critical infrastructure; and, initiating the development of a National Readiness and Response Framework to improve overall Canadian emergency readiness and response capacities.

## **Putting People First**

In 2002-2003, our people - both military and civilian - continued to be a high priority. Significant progress was made on initiatives to improve quality of life, professional development, health care and recruitment and retention.

In terms of quality of life, key achievements include: the development of two comprehensive surveys to measure the impact of operational tempo on CF personnel which will lead to the development of a final policy by 2005; the development and implementation of a Military Services Program Action Plan to improve the delivery of services to families through the Military Family Resource Centres; implementation of a new CF policy on family violence and a Family Care Assistance Plan to ensure ongoing safe care for the children of CF members; development and implementation of the Depart with Dignity and Fit for Release programs to ensure that members leaving the CF are properly recognized and provided with ongoing care if necessary, and; the introduction of operational allowances, such as post-combat reintegration assistance which provides a lump sum payment in lieu of home leave travel.

To improve recruitment and retention, Defence strengthened its recruitment advertising program; enhanced selection procedures and training programs; and developed new strategies for retaining public servants.

In terms of learning and professional development, the new Canadian Defence Academy opened and began operations in September 2002. In June 2002, the first group of students graduated with a Masters of Defence Studies degree from the CF College, the Defence Learning Network opened five new Learning and Career Centres across Canada and further developed an institution-wide learning management platform to help deliver distance-learning courses. Progress continued on the comprehensive review of military trades and classifications, known as the Military Occupational Structure Analysis

Redesign and Tailoring project, which will help ensure military occupational structure is up to date and relevant to the evolving needs of the CF. Defence approved a Competency-Based Management program for senior leaders and civilian executives and developed a Learning and Professional Development Strategic Framework for civilians.

To improve human resource management, Defence developed a Performance Measurement Framework for civilian human resources management; and is currently updating and implementing a similar framework for military human resources management, to be completed in 2004.

To increase diversity and promote inclusiveness in the workforce, Defence continued to deliver Human Rights and Harassment Prevention and Canadian Human Rights Act awareness training; prepared an annual three-year report on the Employment Equity Plan; and is in the process of approving departmental action strategies to improve employment-equity performance.

Finally, progress was made in implementing initiatives related to the CF health care renewal program, known as "Rx2000." This included the completion of the establishment of two fully deployable teams that will assess environmental health threats prior to, and during, operational deployments, in order to provide unprecedented occupational and environmental health support to deployed CF in the detection, prevention and control of diseases. Defence is also in the process of standardizing protocols for assessment and treatment of operational stress injury and post-traumatic stress disorder and for research concerning these illnesses.

In February 2003, the Canadian Forces Accidental Dismemberment policy was approved which provided accidental dismemberment coverage under the Service Income Security Insurance Plan - Long Term Disability (SISIP-LTD) program in a lump sum payment of up to \$250,000 for all Regular and Primary Reserve Canadian Forces members not eligible for the General Officer Insurance Plan (GOIP) or the Reserve GOIP.

## **Optimizing defence and security capabilities**

Rapid advances in technological developments are leading to changes in military doctrine, organization and training. They are also presenting new challenges with respect to interoperability, which is particularly important for CF operations in concert with key allies. Defence needs to optimize the Defence program based on new military realities and invest in the right mix of people, equipment, and training to ensure the CF are able to meet their commitments, today and tomorrow.

To optimize Canada's security and defence capabilities, Defence priorities in 2002-2003 included conducting an update of Canadian defence policy and establishment; accelerating the transformation of the CF; enhancing the CF's capability to operate effectively in joint, inter-agency, and multi-national environments; continuing to advance key capital projects; and reviewing procurement plans to identify areas where funds can be reallocated from low-to-high priority projects.

To this end, DND and the CF moved forward on a number of fronts to modernize our defence and security capabilities. Progress was made on the CF-18 and Aurora Incremental Modernization projects. The Land Force Intelligence, Surveillance, Target Acquisition and Reconnaissance (ISTAR) capability project entered the definition phase. Lastly, a joint project is underway with the German Air Force which will modify two of Canada's CC-150 Airbus aircraft into the air-to-air refueling tanker configuration.

The CF are also enhancing its command, control, communications, computer, intelligence, surveillance and reconnaissance (C4ISR) capabilities by taking advantage of information technologies. These capabilities are essential to the CF's ability to command and conduct operations, including enhancing the battlefield awareness of front-line warfighters as well as enabling operational and tactical level networking across joint and combined forces. To this end, the CF and the Department are actively engaged in preparing the "C4ISR Campaign Plan" and has recently approved a project to create a "Joint Information and Intelligence Capability", which will help "fuse" the ever-increasing flow of operational information and intelligence in a timely and accessible manner.

In addition to investing in C4ISR, the CF are looking at joint force experimentation and research, joint force training in new tactics and procedures and the development of new joint and combined doctrine.

Mobility and rapid reaction are also key. While options for enhancing strategic airlift capability continue to be explored, the unilateral purchase of strategic airlift assets by Canada will not be pursued given the very high cost and the wide range of new and improved capabilities which are also required to support transformation. Canada continues to explore the possibility of pooling with other NATO nations to satisfy the strategic airlift requirement. In terms of sealift, Canada is working with a multinational group led by Norway to look at proposals for assured access to sealift vessels. At the same time, the Navy is exploring the replacement of the Protecteur-class replenishment ships, which are approaching the end of their service lives and will need to be replaced in the near future. More details on capital procurement can be found in the [CDS Annual Report](#).

Research and development and experimentation also help modernization efforts. Early this year, the Canadian Forces Experimental Centre in Ottawa gained initial operational capability. Its mandate is to improve capability-based force development planning through innovative concept development and experimentation.

## **Maximize management effectiveness**

Defence seeks to be a sound steward of the fiscal resources that Parliament provides, and to maximize management effectiveness.

Defence priorities in 2002-2003 included promoting a modern-management agenda by enhancing departmental financial and costing models to support decision making; beginning to implement the Financial Information Strategy, and will streamline the material acquisition support process to achieve \$45 million in continuing annual savings in three years.

Defence also improved internal communications by integrating internal communications into national strategic communications planning and program delivery; developing an internal communications training module for leaders; and supporting communities of interest within Defence through the development of selected internal communications distribution lists by winter 2004.

Defence is also implementing a new information-management strategy and governance structure through the Information Management Review Implementation Project, to be completed by spring 2004.

## **Enhance relationships**

Partnerships are key to the mission of Defence. Defence cannot be done in isolation - it depends on a range of partnerships and relationships both within and outside Canada. Taken together, our partnerships help support Defence's mission, programs and activities. They demonstrate Defence's continued importance to international stability, as well as raise awareness of our cooperative efforts with other departments and agencies to improve domestic safety and security.

Defence maintains partnerships with other government departments and agencies in order to support the Government of Canada's broader efforts and priorities and to ensure horizontal co-operation and co-ordination on a range of security and public safety issues. Defence also maintains partnerships with the private sector and provincial governments, as appropriate. The active support of the provinces, industry, academia, non-governmental organizations and other key defence stakeholders is also critical to the work of Defence.

In the past year, Defence has continued to play a lead role in the development of the Federal Innovation Networks of Excellence; contributed to the Government's broader Innovation Strategy; and laid the groundwork for a Canadian Public Affairs Centre of Excellence. OCIEP has also worked with all levels of government in Canada, non-governmental organizations, academia, and private sector organizations, as well as foreign governments, especially the United States, and international organizations to enhance co-operation and collaboration on critical infrastructure protection and emergency management initiatives. Defence Research Development Canada also has a key role in nurturing defence research and development with the private sector, research labs, and universities.

Enhancing security and defence co-operation with the U.S. remains a priority for Defence. We continue to work together to strengthen continental security following September 11th. As part of this both governments agreed to create the Bi-National Planning Group in December 2002. Its mandate is to improve the coordination of Canadian and U.S. maritime



surveillance, intelligence sharing and threat assessments in order to help prevent terrorist attacks and improve contingency planning to respond to a future attack or major natural disaster.

Since its creation, the Planning Group held a conference that brought the Canadian and U.S. maritime communities together to examine how better to share information and coordinate threat assessment and warning capabilities; built a database of memoranda of understanding and of accords and treaties that exist between our two nations related to bi-national military support and cooperation; and developed threat scenarios to guide military planning to support civil authorities.

Promoting a strong NATO, and maintaining defence relations with our allies in Europe, Asia-Pacific, Latin America and elsewhere are also key to achieving Canadian defence objectives. To promote its broader international defence and security relationships, Defence became a member of the Inter-American Defence Board; developed strategies for enhancing bilateral relationships on critical infrastructure protection with certain European and Asia-Pacific countries and organizations; continued to assist in the development of a follow-on program for the NATO Prague Capabilities Commitments announced at the Prague Summit in November 2002; and worked with the Department of Foreign Affairs and International Trade (DFAIT) to ensure a smooth transition for the nations invited to join NATO at the Prague Summit and the creation of the NATO Response Force.

## **Navy, Army and Air Force Highlights**

In addition to meeting the very high operational tempo related to Operation APOLLO, our naval, land and air force made significant progress in key areas that will improve the capabilities to carry out their missions.

The *Navy*, after contributing the first and largest national contribution to the campaign against terrorism, is focused now on re-generating its national maritime capability, progressing the introduction of the VICTORIA Class of submarines into service, and improving the level of co-operation with other government departments so as to improve the security of our maritime approaches.

Canada's Navy has a large role to play in domestic security, with a sea trade of some 1,700 ships plying Canadian waters each day, the world's longest coastline to patrol and an overall area of responsibility of 11 million square kilometres. Without the proper and efficient coordination of all our national maritime assets, we will become more vulnerable to terrorist threats.

The Navy is fulfilling its role by working jointly alongside the other armed services as well as with other federal government departments such as Fisheries and Oceans Canada and the Coast Guard, and US authorities.

In December 2002, the Minister of National Defence designated Controlled Access Zones at our principal naval ports. These provide protection from potential threats at DND facilities and HMC Ships.

The Navy also made advances regarding good management practices including the pan naval strategy to harmonize Navy efforts in terms of costing and the development and implementation of a Navy-wide personnel employment tracking system to measure personnel tempo.

The *Army* had overwhelming success in the conduct of operations. Some 3,900 Army personnel were deployed abroad, and even more were required to handle domestic tasks, peaking at some 7,500 members while supporting the G8 Summit during the summer of 2002.

The omnibus Clothe the Soldier Project continued to field clothing and personnel equipment to our soldiers. In particular, the new Canadian Disruptive Pattern for arid regions (the tanned combat uniform) was delivered and issued to a number of soldiers on an as required basis for operational duties.

For the first time in ten years, a Brigade Training Exercise, consisting of more than 4,000 soldiers was held in Wainwright, Alberta in the spring of 2003, which required substantial planning and preparation efforts during fiscal year 2002-03. This exercise was extremely successful in training the units enabling them to deploy on missions to both Afghanistan and Bosnia-Herzegovina.

In February 2002, the Chief of the Land Staff assumed the Executive Secretariat position for the 25th cycle of the Conference of American Armies (CAA) and will host the main conference in 2003.

The Army continues to provide direct support to recruiting and retention efforts with a special emphasis placed on distressed trades such as vehicle and weapons technicians.

The Army is undergoing significant transformation and in order to ensure that the Army remains relevant in the future security environment, a new strategy was promulgated in 2002. [Advancing with Purpose - The Army Strategy](#) will help the Army work towards achieving the optimum balance of capability and capacity to meet future demands.

During 2002-2003, the *Air Force* continued to demonstrate tactical and operational excellence across a wide range of activities. The Air Force's capabilities were well tested with significant contributions to both international and domestic operations. Over a thousand personnel were involved in supporting the G8 summit in Kananaskis, while countless others continue to support Operation NOBLE EAGLE, NORAD's operation to protect North America from aerial terrorist attacks.

On the equipment side, the Air Force is in the process of replacing its Labrador helicopters with state-of-the-art Cormorant helicopters, which have already set numerous records while saving lives in its search and rescue role. The Air Force's first modernized CF-18 fighter aircraft and CP-140 Aurora Maritime Patrol aircraft were also delivered this year, which is an important first step in improving interoperability with our Allies and enhancing operational capability. Finally, two of our CC-150 Airbus aircraft are in the process of being retrofitted as strategic air-to-air refuellers, which will allow intercontinental deployments of our CF-18 fighter aircraft and crews whenever they are called upon to support international operations.

In an effort to mitigate personnel shortages, the Air Force Retention Office was created. This organization has streamlined the re-entry process for previously serving personnel interested in re-enrolling in the CF, and is also working on developing policies and procedures designed to continue to encourage currently serving members to remain in the Air Force.

## **Defence and the Public**

These highlights provide only a small sample of the many achievements accomplished by the Department and the Canadian Forces this past fiscal year, but they demonstrate that the institution continues to fulfill its broad and challenging mission.

A 2002 Pollara survey indicates that the impression of CF personnel among Canadians is steadily increasing. Strong leadership, increased public awareness of defence issues and the dedication and outstanding performance of the CF in the various operations over the last several years have contributed to the positive support of Canadians.

## **Our Context: Risks, Challenges and Opportunities**

Defence is influenced by a wide range of factors - both domestic and international - that have an impact on how we carry out our mission. These factors present us with challenges and opportunities, as well as risks, which we must take into account if we are to deliver on our mission successfully.

Our continuous monitoring of emerging issues, developments and trends allows us to anticipate and respond to the challenges, mitigate the risks and take advantage of opportunities. Given the nature of our mandate, key considerations in our planning context include:

- the evolving security environment, including the campaign against terrorism;
- developments in the United States, NATO and the UN;
- operational tempo;
- transformation;

- demographics and the changing face of Canada;
- resource management; and,
- partnerships.

## **The Evolving Security Environment**

The world we live in has changed significantly over the past decade. We face evolving threats, ranging from global terrorism to threats against our critical infrastructure, to the proliferation of conventional weapons, ballistic missile technology, and weapons of mass destruction. Enduring regional and ethnic conflicts, trans-national crime, poverty, resource scarcity, and religious extremism have compounded the situation. Collectively, these and related threats and developments have had a profound impact on defence organizations and defence relationships around the world.

Although Canada does not currently face a direct conventional military threat, the terrorist attacks of September 11, 2001 demonstrated the potential reach of terrorism and were a reminder that the world remains a dangerous place. The U.S.-led campaign against terrorism, the aftermath of the war in Iraq and continuing instability in the Middle East and Africa have made the security environment even less predictable. These developments re-affirm the need to work collectively with our allies to defend our interests and values, and reinforce the importance of defence and security to Canada's prosperity and collective well-being. By playing a key role in the international campaign against terrorism and elsewhere, Defence has made, and is continuing to make, an important contribution not only to international peace and security but also to our security at home.

## **Developments in the U.S., NATO and the UN**

The growing emphasis by the U.S. on homeland security following September 11th is also shaping the international security environment and having an impact on Canada and the international community as a whole. Given our shared geography and infrastructure, Canada cannot ignore developments in the U.S.

Consistent with its emphasis on homeland security, and its efforts to further develop its ability to respond to the increasingly complex security environment, the U.S. moved forward on a number of initiatives over the course of the last year. [The Department of Homeland Security](#) formally began operations and the [US Northern Command](#) (NORTHCOM) - tasked to defend North America and its air, land and sea approaches - was formally stood up. In December 2002, President Bush announced that the U.S. would be deploying the first elements of an operational missile defence system by October 2004. The U.S. also updated its nuclear strategy and produced a new National Security Strategy document, which aims to move the U.S. beyond its reliance on nuclear deterrence and to create a new strategic relationship with Russia. These initiatives, combined with ongoing efforts to bolster and transform its military, are significant.

Like the U.S., Canada, along with European Allies in NATO, and the member nations of the UN are grappling with how best to adapt to the evolving post-9/11 security environment.

To this end, [NATO's Prague Summit](#) in November 2002 saw Canada and other NATO members renew their commitment to support the Alliance into the 21st century. NATO allies invited seven countries (Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia) to begin membership accession talks and adopted a series of measures to support a wider role for the Alliance in peace support operations and to improve NATO's military capabilities including the creation of a NATO Response Force and a new military command structure. The process of reform at the United Nations is ongoing, including efforts to improve the [Department of Peacekeeping Operations](#) and the consultative process for troop contributing countries.

## **Operational Tempo**

The past decade has seen the CF contribute to some very important missions. While the CF have never failed in meeting their operational commitments, the increased tempo in operations has strained the organization's sustainment capability and has had an impact on the men and women of the CF. This is particularly true of our experience during fiscal year 2002-2003 when our military contribution to the international campaign against terrorism (Operation APOLLO), combined with our other ongoing commitments at home and abroad, is taken into account.

In particular, Operation APOLLO has had an impact on the training level and skills of our personnel and their quality of life. Readiness levels and equipment were also affected and our capability to meet other assigned tasks, in some instances, was reduced.

Our experience this fiscal year demonstrated that the ability of the CF to deploy, particularly in "surge" situations (that is, sustaining efforts beyond normal operational expectations), remains a challenge. For example, the Navy normally has four ships a year in "high readiness status" for operations. Because of our military contribution to the campaign against terrorism, twelve ships were on "high readiness status."

While the CF are capable of maintaining a high degree of readiness for short periods of time, recovery from this level of participation will be essential to the long-term success of future missions at home and abroad. The bottom line is that it is a question of balance - doing what we can in difficult parts of the world and ensuring the quality of life of our personnel and their families.

Recognizing this, we reduced some of our operational commitments, including most recently our contribution to the U.S.-led coalition in Afghanistan in support of the campaign against terrorism in order to provide the army a pause before redeploying again. We have also taken steps to address related issues including the impact on human resources and equipment. The budget increase announced this fiscal year will also help address these key and other pressure areas. In addition, we continuously reassess our military commitments around the world, and realign or reprioritize our efforts in other areas in order to ensure a healthy and sustainable defence organization.

## **Transformation**

Defence cannot take on new world missions with old world equipment, structure and doctrine. It must transform itself to ensure that the CF can perform current and future missions and operate alongside our allies. This means keeping up with rapidly advancing technologies growing out of the information revolution that are changing the nature of military operations. To address these challenges and remain relevant, Canada's military must adopt a strategy of transformation and modernization.

Transformation means smart investments in capabilities relevant to the evolving strategic environment and divesting ourselves of capabilities that are no longer relevant. It also means changing the way we perceive and think, our management structures and decision-making processes, and our force structure. It does not mean a complete restructuring or re-equipping of our forces but a blending of existing and emerging systems to create greatly enhanced capabilities. Defence must further apply new technologies to increase the precision of weaponry as well as the information and intelligence available to the CF.

Transformation at National Defence is not new. New skills are being taught; new capabilities are being acquired and selective equipment is being modernized. While these changes have initiated the process of transformation, more needs to be done, and at an accelerated pace.

## **Demographics and the Changing Face of Canada**

Defence recognizes that the people who serve and support the organization are its most valued resource. As the demographic profile of Canada ages, the labour market will become more competitive. For Defence, because of both downsizing and low recruiting in the 1990s, the shift in the age profile of both the CF and the Department is more pronounced than the profile of the Canadian labour market as a whole.

To compete in this labour market, the DND and the CF must be positioned as a preferred career option for Canadians. And, while it is unlikely that we will be able to compete with the private sector in terms of pay and compensation, we can and should excel in terms of the quality, excitement and reward of the work experience we offer.

To address the demographic challenges it is facing, Defence will continue to place a heavy emphasis on recruiting, training, and retention. While Defence has taken action in these areas, growing pressures are being placed on the CF's ability to meet training requirements.

Defence must also do more to reach out to a broader base of Canadians and encourage greater diversity within the forces. This is becoming increasingly important in a country where visible minorities are expected to represent over 30 percent of the population within the next 20 years.

Both the military and civilian components of the Defence portfolio rely heavily on a skilled, trained workforce. Technology and the move towards a globalized, knowledge-based economy continue to change how work is performed, as well as the nature of the work itself. While the full integration of information technology into the workplace will take time, we must provide our people with the skills and training they need to adapt to this evolving work environment.

## **Resource Management**

An organization of the size and budget of Defence must strive to ensure appropriate stewardship of its resources. Finite resources must be spent in such a way that meets defence objectives and ensures value for the taxpayer's dollars.

In [Budget 2003](#), through the supplementary estimate process National Defence received an additional \$170 million to address urgent needs, and \$100 million to cover additional costs incurred through Canada's contribution to the campaign against terrorism in 2002-03. Further, the Government significantly reinvested in Defence by committing to an \$800 million increase to our baseline funding. Combined with an additional annual \$150 million for inflation and other adjustments, defence funding has risen by \$1 billion to just over \$13 billion for fiscal year 2003-04.

While Budget 2003 is an important step forward for DND/CF, money alone will not solve the challenges facing the CF. National Defence will have to continue to make difficult decisions in an on-going effort to adapt to the evolving security environment. Significant changes and improvements have been made over the past few years, but the process of transforming Canada's defence establishment and military must continue. This means that Defence will have to continue to focus on priorities, make selective investments, and reallocate resources to those capabilities that Canada will need in the future. The introduction of modern management initiatives will help improve our defence capabilities while ensuring greater accountability in the stewardship of public funds.

DND and the CF are also facing pressures maintaining current infrastructure. Given the condition and suitability of DND and CF realty, and in view of industry standards for annual investment in buildings and works, innovative management solutions, as well as policy changes increasing DND's flexibility in management of realty assets, will have to be introduced and implemented progressively to ensure a sustainable realty portfolio.

## **Partnerships**

DND and the CF's success in carrying out its mission lies in exploring innovative partnerships with other government departments, other levels of government, non-governmental organizations and the private sector, among others. Horizontal coordination of key defence and security issues provides an opportunity to operate more effectively and to communicate Canada's contributions to security at home and abroad to Canadians and to the international community .

For DND and the CF, public support and awareness of their activities is key to their success in addressing these challenges and risks. Beyond the well-known and visible activities abroad, Defence also contributes to broader national priorities and makes an important contribution to the public security of Canadians at home. Ongoing communications, consultation and outreach with Canadians ensure that "Defence's story" is told and understood.

## **Defence Planning & Management Model**

The Defence Planning & Management (DP&M) model is the overarching structure that the Department of National Defence and Canadian Forces (DND/CF) use to:

- Plan its long, mid and short-term strategic direction;
- Manage the Sustaining and Change Agendas;
- Monitor performance and risk management; and,

- Report to government through the Report on Plans and Priorities (RPP) and the Departmental Performance Report (DPR).



The DP&M includes six interdependent components or processes; each with its own set of requirements and steps, and each involving aspects of Risk Management. The six processes are:

- **Strategic Visioning** - provides a roadmap (i.e. Strategy 2020), consisting of the overall strategic vision and long-term strategic objectives, to steer planning and decision-making to deal with defence challenges that may emerge in the future.
- **Capability-Based Planning** - produces the "capability targets and gaps" of the DND/CF consistent with the department's white paper and strategic vision.
- **Resource Prioritization** - involves analyzing corporate priorities and establishing resource priorities over multiple planning horizons, including the immediate planning cycle.
- **Business Planning** - establishes annual plans and priorities and balances the investment in sustaining ongoing operations and activities with the investment required to modernize the Forces.
- **In-Year Management** - involves monitoring the progress against the Defence Plan, managing the impact of significant issues and new requirements and adjusting resources in response to new pressure.
- **Performance Management** - outlines the structure and focal areas (i.e. Strategy Map) for measuring performance in the DND/CF through which senior management monitors the achievement of results and reports on performance.

Further details on Defence Planning and Management may be found on the internet at:

<http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dpm/>.

Defence delivers on its mission through the five Capability Programs (also referred to as Strategic Outcomes) as outlined in the Planning, Reporting and Accountability Structure (PRAS): **Conduct Operations, Generate Forces, Sustain Forces, Command and Control, and Corporate Policy and Strategy**. Details on each Capability Program may be found in Part III of this report.

The Capability Programs, in turn are delivered through the Defence Plan (DP) On-line, which is the internal DND/CF Strategic Business Plan for execution in the current fiscal year, and the planning guidance for the subsequent three years. It assigns tasks and initiatives to senior managers, describes horizontal priorities, displays high-level force structure, and indicates resource allocations. The performance information set out in this Report is organized by Capability Programs.

The Defence Plan was made available exclusively on-line for the first time as Defence Plan 02/03. Defence Plan On-line may be found on the internet at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/DPOnline/Structure\\_e.asp?StructureID=11&SelectedDPMenu=3](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/DPOnline/Structure_e.asp?StructureID=11&SelectedDPMenu=3)

The following chart expands on the strategic outcomes in order to illustrate the linkages between the Capability Programs in the PRAS.

#### Strategic Linkages Between the Capability Programs

Further details on Defence Planning and Management may be found on the internet at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/intro\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/intro_e.asp)

### Corporate Priorities/Capability Programs "Crosswalk"

The following table provides a quick overview of the link between corporate priorities to Capability Programs. Establishing this link ensures that high-level performance measurement and resource information for the Corporate Priorities and related initiatives is reported through the Capability Programs.

Results achieved for specific initiatives under each corporate priority for 2002-03 are covered under each of the Capability Programs (Strategic Outcomes).

#### Corporate Priorities/Capability Programs "Crosswalk"

Corporate Priorities and Related Initiatives	Capability Programs				
	Conduct Operations	Generate Forces	Sustain Forces	Command and Control	Corporate Policy and Strategy
<b>Responding to the New Security Environment</b>					
contributing to the international campaign against terrorism	X				
enhancing counter-terrorism, intelligence, research and development, and emergency - response capabilities	X	X		X	
providing national leadership on critical infrastructure protection and effective emergency management					X
<b>Putting People First</b>					
strengthening capacity to recruit and retain people		X			
furthering the development of learning and professional development programs		X			X

seeing through reforms to military health care			<b>X</b>		
improving human-resource management		<b>X</b>	<b>X</b>		<b>X</b>
increasing diversity and promoting inclusiveness in the workforce		<b>X</b>			<b>X</b>
<b>Optimize Defence and Security Capabilities</b>					
conducting and concluding an update of Canadian defence policy resulting in a forward-looking and sustainable defence policy and establishment					<b>X</b>
advancing key capital projects	<b>X</b>				
<b>Maximizing Management Effectiveness</b>					
promoting a modern-management agenda, which includes implementing a financial information strategy, modern comptrollership, procurement reform, risk management, migration toward an integrated defence management framework, and performance measurement					<b>X</b>
implementing a anew information-management strategy and governance structure					<b>X</b>
improving internal communications					<b>X</b>
<b>Enhancing Defence Relationships</b>					
strengthening defence and security arrangements in North America	<b>X</b>	<b>X</b>			
promoting other key international defence and security relationships		<b>X</b>		<b>X</b>	
expanding strategic partnerships with other levels of government in Canada and the private sector	<b>X</b>		<b>X</b>		
continuing to improve external communications					<b>X</b>

## Part III: Departmental Performance - Capability Programs (Strategic Outcomes)

### Conduct Operations

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

- international operations, including Canada's commitments to NATO and UN operations and evacuation of Canadians;
- continental operations; and,
- domestic operations, including:
  - surveillance and control of Canadian territory;
  - search and rescue;



- assistance to other government departments and humanitarian assistance;
- support to major national and international events in Canada; and,
- aid of the civil power.

## Key Partners

The following government departments, agencies and international organizations are key partners with Defence in the conduct of operations: [Privy Council Office](#)(PCO), Department of [Foreign Affairs and International Trade](#) (DFAIT), [National Search and Rescue Secretariat](#) (NSS), the [Department of Fisheries and Oceans](#) (DFO), the [Royal Canadian Mounted Police](#) (RCMP), [Canada Customs and Revenue Agency](#) (CCRA), [Canadian Heritage](#), [Veterans Affairs Canada](#) (VAC), [North American Aerospace Defence](#) (NORAD), [North Atlantic Treaty Organization](#) (NATO), the [European Union](#) (EU) and coalitions of like-minded countries.

<b>Conduct Operations: Planned Results</b>
The ability to employ the range of military capabilities required to achieve assigned missions, when and where directed.

<b>Performance Measurement Areas</b>	
<ul style="list-style-type: none"> <li>• Meet readiness levels</li> <li>• Meet domestic obligations</li> <li>• Meet international obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to deploy for operations</li> <li>• Meet capability requirements</li> <li>• Ability to sustain operations</li> </ul>

<b>Conduct Operations: Resources Consumed</b>		
	Planned	Actual
Departmental Spending	3,864.1 million	3,895.5 million
Human Resources-Military	18,848 FTEs	18,736 FTEs
Human Resources-Civilian	400 FTEs	399 FTEs
Capital Spending ( <i>included in Dept. spending</i> )	788.9 million	689.1 million

## Results and Achievements

In terms of operations, fiscal year 2002-03 was one of the busiest years the CF has experienced since the Korean Conflict. Despite this high operational tempo, the CF were able to strike a balance between -international and domestic operational requirements, and to successfully accomplish all major operational tasks they were assigned. To help them carry out their tasks, progress was made in enhancing the capability of Joint Task Force 2 to respond to terrorist incidents, as well as the capacity of the Disaster Assistance Response Team to respond rapidly to humanitarian crises, both at home and abroad.

DND and the CF's Chemical, Biological, Radiological and Nuclear (CBRN) capabilities were enhanced. Our research and development capabilities in CBRN were also strengthened by enhancing the CBRN component of the [Technology Investment Strategy \(TIS\)](#) and through two new Defence Research and Development Canada initiatives: the [CBRN Research and Technology Initiative](#) and the [Counter-Terrorism Technology Centre](#).

In terms of sealift, while the Enhanced Strategic Sea Lift project as planned for 2002-03 was not achieved, we continue to explore options for providing this capability in the most cost-effective manner. For example, Canada has joined a multinational cooperative working group, led by Norway, and, if approved, the proposed contracts would provide the eight participating NATO allies with assured access to strategic sealift vessels in the event of a need to rapidly deploy high-volume, high-density equipment.

## International Operations

In the past year, Canada contributed to 14 international peace support and coalition operations. The CF also successfully led and participated in 34 arms control and verification inspections. Although not called upon to do so, the CF also continued to maintain the capability to assist in the evacuation of non-combatant Canadians from foreign nations. More details can be found in Part VII of this Report.

Over the course of conducting international operations, we learned that our operational planning process works but that we need to enhance our emphasis in civil-military cooperation, further develop efficient working relationships and liaison between [DFAIT](#), [PCO](#) and DND to obtain the necessary strategic guidance for deployed missions and to ensure that the appropriate infrastructure and basing rights are in place so that the CF can deploy when and where they are needed. Finally, Information Operations are becoming an increasingly important aspect of international operations and we must evolve to keep pace with our allies.

## Continental Operations

[NORAD](#) continued to provide aerospace surveillance and control of North America including the Arctic and coastal approaches. Through Operation NOBLE EAGLE, a combined U.S.-Canadian operation under NORAD, Canadian and U.S. forces monitor and intercept flights of interest that are approaching or within North America airspace regardless of origin, and remain ready to assist civilian authorities should the need arise.

## Domestic Operations

- **Surveillance and Control of Canadian Territory**

The CF is responsible for the monitoring, control and protection of Canadian approaches and territory. Some highlights in 2002-03 were:

- maintaining a "ready duty" ship, a ship on eight hours' notice to sail on each coast, and a Maritime Operations Centre operating 24 hours per day, seven days per week, to respond to possible threats to Canadian sovereignty;
- assisting federal law-enforcement agencies, like the [RCMP](#) and the [CCRA](#), and key U.S. government agencies by sharing with them the Recognized Maritime Picture;
- maintaining fighter aircraft in high-readiness status for immediate employment in support of ongoing commitments in accordance with the [NORAD](#) Agreement; and,
- increasing the number of [Canadian Ranger](#) patrols in the North from 159 to 164.

- **Search and Rescue**

The National SAR Secretariat is accountable to the Minister of National Defence who is the Lead Minister for Search and Rescue. For performance information on search and rescue, see Part IV of this report.

## Assistance to Other Government Departments and Humanitarian Assistance

DND and the CF assist other government departments by providing support for efforts such as ground searches, drug-interdiction operations, disaster relief, international meetings in Canada, cultural events and law-enforcement operations. Some highlights in 2002-03 were:

- participating in an annual joint operation with the [RCMP](#) in support of marijuana eradication efforts which resulted in 56,000 plants being confiscated with a street value of approximately \$25.2 million;
- successfully executing 91 of the 125 days set aside for fisheries patrol in support of the [Department of Fisheries and Oceans](#) ;
- assisting the Provinces of Alberta and Quebec in fighting forest fires; and,
- providing minor logistical assistance to the "Hay West" initiative that sought to move donated hay from eastern Canada to affected farmers in Alberta and Saskatchewan.

## Support to Major National and International Events in Canada

In 2002-03, Defence played a significant role in support of major and international events in Canada. These included:

- extensive support to the [G8 Summit](#) (Operation GRIZZLY) as described earlier under Part II of this report;
- in July 2002, support to World Youth Days and to the Papal Visit in Toronto which included providing access to the Toronto Armouries and Downsview Park; and,
- ongoing ceremonial support to the [Canadian Heritage](#), [DFAIT](#), [VAC](#) and the [Governor General](#), including support to the Royal Visit of Her Majesty, Queen Elizabeth, in October 2002, the State Funeral of the former Governor General of Canada His Excellency the Right Honourable Ramon Hnatyshyn and standing national commitments such as parades, guards of honour and bands for Remembrance Day, Canada Day, and visits to Canada of Foreign Heads-of -State and Heads-of-Government.

## Aid of the Civil Power

Pursuant to section 275 of the [National Defence Act](#), no requests for Aid of the Civil Power were received in 2002-03.

## Generate Forces

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

## Key Partners

The following government departments, agencies and international organizations are key partners with Defence in generating forces: [Public Service Commission](#) (PSC), [Treasury Board](#), (TBS), [Canadian Centre for Management Development](#) (CCMD), [Conference Board of Canada](#), [Public Works and Government Services Canada](#) (PWGSC), [NORAD](#), U.S. Military and Allied Militaries.

<b>Generate Forces: Planned Results</b>
The ability to recruit and train personnel; research, test, and procure equipment; and design force structure to produce multi-pupose, combat-capable military forces.

<b>Performance Measurement Areas</b>	
<ul style="list-style-type: none"> <li>• Meet readiness levels related to force generation</li> <li>• Extent of recruitment</li> <li>• Extent of training and employment</li> </ul>	<ul style="list-style-type: none"> <li>• Extent of mdernization</li> <li>• Availability of key equipment</li> <li>• Ability to mobilize</li> </ul>

<b>Generate Forces: Resources Consumed</b>		
	Planned	Actual
Departmental Spending	1,599.8 million	1,740.2 million
Human Resources-Military	13,247 FTEs	14,009 FTEs
Human Resources-Civilian	3,491 FTEs	3,453 FTEs
Spending ( <i>included in Dept. spending</i> )	131.5 million	114.9 million

## Results and Achievements

Although the high operational tempo experienced in fiscal year 2002-03 presented many human resource management challenges, Defence maintained "Putting People First" as one of its highest priorities, and made significant progress on initiatives to improve quality of life, professional development, health care, recruitment and retention. Although equipment modernization remained a major challenge, the Canadian Forces were able to maintain a satisfactory availability rate. More information on human resource utilization for both the military and civilian workforce is found in Part VI of this Report.

## Recruitment, Retention and Training

- **Military**

Recruitment has been increasing for the past three fiscal years. The original intake plan for 2002-03 was 6,100. Midway through the year, however, the success of the recruiting initiative was out-pacing the ability of the training system and of the authorized military pay budget to absorb the rapid increase. As a result, the recruitment target was reduced to 5,740.

For 2002-03, 5,629 recruits were enrolled, 98.1 percent of the revised target, or 92 percent of the original. Prior to 2002-03, the average recruiting process time was about 60 days; the average now stands at approximately 35 days. However, the CF is aiming for an average of 21 days and several avenues are being pursued to achieve this goal.

The CF continues to have difficulty-recruiting personnel for medical military occupation categories and Navy technical trades, but is pursuing alternative recruiting methods to overcome present difficulties in recruiting individuals for the hard-to-fill military occupation categories.

For fiscal year 2002-03, the Trained Effective Establishment, or the total planned number of personnel required to be fully trained to fulfill their functional or occupational specific task was 54,576. The Trained Effective Strength, or, the number of members actually trained to fulfill their functional or occupational specific tasks was on average at 52,288. As such, the CF achieved 95.8 percent of its authorized trained strength, which is similar to results achieved in the last few fiscal years.

Training capacity has been, and continues to be increased to respond to the increase in recruits. In addition, the operational tempo has had an Impact on our ability to continue training.

Overall, the total attrition rate of Regular Force members was 6.85 percent of the total CF strength, which is a slight increase from the last 3-year average of 6.63 percent.

As part of efforts to improve the quality of life of our members, we have taken steps to balance the time CF members spend away from home in support of operations with personal and family needs, including a "12-month in Canada" waiver criterion. A waiver must be obtained from the Chief of the Defence Staff for the overseas deployment of any CF member within 12 months of his or her return from another overseas mission. Since 2001, there has been a decline in 12 month waivers including in fiscal year 2002-03 which is a positive trend. A CF member who has been deployed on operations of six months or more also has a 60 day period where they are not subject to postings or temporary duty activities. In fiscal year 2002-03, there was an increase in the granting of 60 day waivers, 75 percent of which were related to career postings or career development.

To help generate forces, the following initiatives were achieved:

- a simplified professional development governance committee structure was implemented;
- work on the capstone strategic doctrine manual 'Canadian Forces Doctrine' continued and is expected to be published sometime after winter 2003;
- work continues on the Military Occupational Structure Analysis, Redesign And Tailoring (MOSART) Project which has evolved into a broadly based Review and Modernization of the MOS';
- the Individual Training and Education Costing Model was endorsed;
- Consulting and Audit Canada was commissioned to review CF Recruiting, Education and Training Systems' (CFRETS) organization and mandate, and its interface with other elements of National

- Defence resulting in the closure of CFRETS HQ on 1 April 2002, the redistribution of its functions and the devolution of appropriate support occupations; and,
- the establishment of the HR System Transformation Project in March 2003 to establish a more effective management and governance of the system.

In addition, work was initiated to define doctrine for leader selection, assessment and development. In the initial phase, a contracted research report was completed which found that in most respects the CF is doing a good job of selecting and assessing leaders. However, the report recommended improvements, some of which have already been addressed and others are underway. Finally, the development of the Profession of Arms and Leadership Manuals continues and are expected to be published in the fall of 2003 and 2004, respectively.

Finally, liaison on a Joint and Combined-training concept was conducted with the [Pentagon](#) and [U.S. Northern Command](#) (USNORTHCOM) staffs and the joint and combined exercise program was developed and will be incorporated into the Strategic Collective Training Plan for 2003-04.

- **Civilian**

The civilian workforce increased by approximately 503 Full Time Equivalents (FTEs) or 2.4 percent from last fiscal year. The civilian workforce increase includes the Communications Security Establishment (CSE), which accounts for approximately 173 FTEs or 34.4 percent of the increase. The creation of OCIPEP, a relatively new organization within National Defence, contributed to this increase as it works to build its workforce capacity. The majority of the total increase was in the category of "Indeterminate" and "Terms Greater Than 3 Months". DND has increased its recruitment and retention activities, in response to the current critical shortages in the Computer System Administration Group, Engineering Group, Purchasing and Supply Group, and Ship Repair Group occupational categories.

The actual departure rate at the end of 2002-03 was 4.1 percent, which was slightly higher than the departure forecast of 3.7 percent.

Initiatives to improve civilian recruiting, retention and staffing, include:

- The [Defence Learning Network](#) attained several milestones and the Competency-Based Management Program for EXs and managers, the Civilian Learning and Professional Development Framework and the Leadership Competency Development Initiatives were approved.
- DND, like other departments across the public service is focusing its efforts on rebuilding system capacity aimed at re-instating an effective classification program capable of delivering a full range of classification activities, as a result of Treasury Board's announcement that the implementation of the Universal Classification Standard would not proceed as planned.
- A departmental action strategy in response to the [Perinbam Report](#) Task Force on the Participation of Visible Minorities in the Federal Public Service is on track and currently being modified to take into account the recommendations from the Employment Systems Review, which was recently concluded. A proposed action plan has been developed and is currently in the consultation phase.
- A Civilian Recruitment and Staffing Strategy was approved as well as an investment fund to recruit in critical shortage Groups: DND is currently elaborating detailed strategies to identify critical positions, develop specific recruitment approaches, as well as learning and professional development, and retention strategies. A critical element of the retention strategy is a departmental framework on Workplace Well-Being for employees. A draft has been developed and consultation on the proposed framework will take place in the fall of 2003.
- A number of concrete steps have been taken to improving staffing response times.
- A revised civilian human resources program/service delivery model was approved. This model recognizes shared accountability and ownership, builds on what was working well, aligns with departmental priorities and planning guidance, enhances coordination and facilitates consistency and integration.
- The original target date for civilian human resources reform has slipped due to the fact that Human Resources Modernization legislation was not tabled in Parliament until February 2003. However, progress has been made on certain delegation initiatives. These included the endorsement of a new legal instrument to delegate staff relations authorities to managers, a communication plan, and regular updates on progress.

- The original target date for civilian succession planning has slipped since the resources to advance an Executive (EX) level succession planning strategy were not approved until 2003-04. An EX Succession Planning Framework will be released in fall 2003, with a rollout target for implementation by March 2004, EX minus 1 by March 2005, EX minus 2 by March 2005.

## Modernizing Equipment

Actual reflects the unsustainability of current commitments and force structure. In order to meet all operational commitments it was necessary to divert money from the capital equipment account into operation budgets and national procurement. The actual spending is misleading as funds were applied to unplanned activities.

This diagram below depicts Capital spending on major equipment. Major equipment excludes spending on minor capital equipment by Level Ones, which is included in Minor capital.

*Source: Assistant Deputy Minister (Finance and Corporate Services)*

On-going investments into modernizing equipment, platforms and systems being undertaken by National Defence as reflected in the capital spending are depicted in the chart

This diagram depicts Capital spending on major equipment. Major equipment excludes spending on minor capital equipment by Level Ones, which is included in Minor capital.

Based on the Defence strategic target of "Proactive Innovation", it is estimated that, during the 20 years from 2000 to 2020, investment would be approximately 25 percent for Command and Control (currently 19 percent), 70 percent for Conducting Operations (currently 68 percent), 4 percent for Sustaining Forces (currently 11 percent), and 1 percent for Generating Forces (currently 2 percent). Current situation is reflected in chart.

Financial-based information of capital projects (equipment) is found in Part VI of this report. Available on line are: [Status Report on Major Crown Projects](#) and [Status Report on Large Major Capital Projects \(equipment\)](#).

## Availability of major CF systems

- **Maritime Equipment**. The availability rate of military equipment remained consistent with the last few years allowing the Navy to fulfil all its major obligations. The average availability rate for the fleet was 85.3 percent. The breakdown by class of ship was: Tribal Class Destroyers, Halifax Class Frigates and Protecteur Class Auxiliary Oil Replenishment Ships (83 percent), Kingston Class Maritime Coastal Defence Vessels, Minor War Vessels and Auxiliary Vessels (94 percent). Only two of the four Victoria Class Submarines were in possession during fiscal year 2002-03. The two submarines were still in various stages of introduction activities and not available for operations.
- **Land Equipment**. The equipment availability rate, which has remained steady over the last three years, allowed the Army to meet its assigned tasks. The average availability rate for each equipment category was: armoured fighting vehicles (78 percent), standard military pattern wheeled vehicles (86 percent) and engineering equipment (79 percent).
- **Air Equipment**. While data regarding operational availability does not reveal any significant trends, the equipment availability rate helped the air force meet its assigned tasks. The overall average availability rate for the air fleet was 56 percent. The average availability rate for each fleet was: CC115 Buffalo 57 percent, CC138 Twin-Otter 64 percent, CH113 Labrador 69 percent, CT114 Tutor 87 percent, CT133 T-Bird 76 percent, CC150 Airbus not available, CH146 Griffon 60 percent, CH149 Cormorant data not available as not all aircraft delivered during this fiscal period, CP140 Aurora 40 percent, CF18 Hornet 57 percent, CC130 Hercules 53 percent, and CH124 Sea-King 51 percent.

## Defence Research and Development

Defence research and development is key to generating forces. Key achievements include:

- the development of the Technology Investment Strategy which outlines the Research and Development (R&D) required to develop the Science & Technology capacity required for future defence and national security;
- ongoing work to achieve the full operating capability of the recently created CF Experimentation Centre/Program by winter 2004; and,
- continued funding for the [Technology Demonstration Program](#) through direct contributions from national partners and in-kind contributions from collaborations with international partners. The total value of the TDP for 2002-03 was about \$61M, which includes \$37M of contracted research and development and \$9M from external cash and in-kind contributions. The balance comes from [DRDC](#) at an estimated total cost of about \$15M.

Performance information is reported under [Defence Research and Development Canada](#) (DRDC) in Part IV of this report.

## Mobilization

The Reserve Force is an essential component within the CF's mobilization-planning doctrine, providing the additional depth and breadth needed to achieve the capabilities required in each stage of mobilization. The Reserve Force Employment Project had a total of 37 different initiatives, and of those, 29 have been completed, four are ongoing and four items were deleted as they were considered to be beyond the mandate of the project. The formal project was completed and the final report was submitted in the spring of 2003. The Reserve Forces are reported in Part IV of this report.

The development of asymmetric threat related capabilities were completed as planned. The Asymmetric Threat Study recommendations were endorsed and funding has been protected for 2003-04 and 2004-05 to enhance the capabilities of the CF against asymmetric threats.

The National Military Support Capability Project is developing the Joint Support Group, a support organization, which will support CF operations worldwide. The project staff has completed the planning and development work towards the achievement of the Initial Operating Capability by fall 2003, however delays have been encountered. It is anticipated that the fall 2003 milestone will not be met until spring 2004.

## Sustain Forces

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

## Key Partners

The following government departments, agencies and international organizations are key partners with Defence in support of this capability: Private industry, [Statistics Canada](#), [Public Works and Government of Canada Services](#) (PWGSC), [Canada Lands Company Ltd.](#), Defence Industry Advisory Council, defence allies.

**Sustain Forces: Planned Results**

The ability to shelter and sustain personnel, repair and maintain equipment, provide logistic support to operations and maintain the infrastructure necessary to support military operations..

**Performance Measurement Areas**

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Ability to sustain operations</li> <li>• Meet health and well-being requirements of CF members</li> </ul> | <ul style="list-style-type: none"> <li>• Meet materiel and logistical support requirements</li> <li>• Appropriate realty asset management.</li> </ul> |
|--|---|

**Sustain Forces: Resources Consumed**

	Planned	Actual
Departmental Spending	4,534.6 million	4,833.6 million
Human Resources-Military	21,499 FTEs	22,204 FTEs
Human Resources-Civilian	13,454 FTEs	13,618 FTEs
Capital Spending ( <i>included in Dept spending</i> )	180.8 million	708.3 million

**Results and Achievements**

Force sustainment is essential to the success of DND and the CF. Despite a high operational tempo in 2002-03, the Canadian Forces were able to strike a balance between international and domestic operational requirements, and to successfully accomplish all major operational tasks assigned to it.

The significant challenges Defence has faced in this area were recognized by the Government and addressed by the infusion of additional funding in Budget 2003. This new money will allow us to rebuild and become sustainable over time as resources are phased into the defence program. However, if Defence is to maintain the current high level of operational tempo while simultaneously transforming itself for the 21st century, we must continue to reallocate resources from lower to higher priorities including our people and address key pressure areas such as infrastructure and logistical support. The following provides a general overview of key initiatives and their results in support of the achievement of the Strategic Outcome "Sustain Forces".

**Health and Well-Being of CF Members**

Over the past few years, Defence has significantly invested in the health and well-being of Canadian Forces personnel. People are our greatest asset, and the ability of the CF to retain healthy men and women in uniform, and to benefit from their expertise over time is key to the sustainability of the Canadian Forces. Key achievements in 2002-03 included, but are not limited to:

- progress in several aspects of RX 2000 - a program designed to improve the standard of health care provided to CF members at home and abroad - including in such areas as the development of a Case Manager Program, pre-hospital care and physiotherapy initiatives, among others;
- conducted the Mental Health survey of CF members (Regular and Reserves), which was carried out by [Statistics Canada](#);
- posted the first cohort of trained and certified health care Clinic Managers to clinics;
- completed the Electronic Data Capture of Health Information project - an important information management tool that will help provide better health care services to CF members
- progress within the Prospective Health Data Analysis Capability project;



- completed several policies in Occupational and Environmental Health and Communicable Disease Control;
- provided Force Health Protection on the West Nile Virus issue and advisories on the SARS outbreak;
- implemented several Health promotion policies/programs;
- deployed the Deployable Health Hazard Assessment Teams and Preventative Medical on CF Operations; and,
- rolled out the Conflict Management Program to 16 Dispute Resolution Centres.

Due to the effort invested in managing operational tempo, the majority of CF members were able to take all of their annual leave in 2002-03. The ability of members to rest and recuperate is an important element of our ability to sustain operations.

## Logistical Support to Operations

Canadian Forces operations could not be launched or sustained without the logistical support to feed, shelter, transport and communicate with the forces in the field or in the fleet.

Defence co-ordinated logistics support arrangements for three new operations, supported up to 16 continuing missions, and closed down three others. A number of important logistical initiatives yielded the following results:

- implemented a new business process using the Canadian Forces Supply System Upgrade;
- awarded the Canadian Forces Contractor Augmentation Program contract;
- established a new method to co-ordinate heavy-lift truck assets;
- formed global commercial transportation networks;
- implemented a new sea container support capability; and,
- created the Joint Capability Assessment Team.

## Equipment Maintenance

Equipment maintenance is another vital element of our ability to sustain our forces, especially in terms of ensuring our personnel have the appropriate equipment to carry out their missions. Following are three examples of equipment maintenance programs that are contributing to the sustainment of the Canadian Forces.

- **Victoria Class Submarines** - Three of the four [Victoria Class](#) submarines have been delivered and the fourth boat, HMCS Chicoutimi, is expected to be delivered in the spring of 2004. HMCS Victoria has transferred from Halifax to Esquimalt, providing a Canadian submarine presence in the Pacific. Essential Canadian modifications continue to be made to HMCSs Windsor and Corner Brook, which are based in Halifax. HMCS Corner Brook is already conducting local operations for training purposes. The Navy is gaining more experience with the operation of the boats and their major engineering systems, and is taking the necessary steps to ensure that they are effectively maintained.
- **LAV IIIs** - The baseline [LAV III](#) vehicle continues to go through some required retrofits. Vehicles are being retrofitted on a unit-by-unit basis in order to enhance readiness and maintain full interoperability within each unit. Turn-around times for the repair and overhaul of spares and components have been slow, but are being monitored closely and the manufacturer has made improvements.
- **CH-149 Cormorant** - The in-service support contract for the [CH-149 Cormorant](#) is highly comprehensive and includes provisions for all activities - from program and fleet management to repair and overhaul and spare parts - required to deliver serviceable helicopters, ready for flight. Temporary adjustments have been made to operations and maintenance schedules to ensure continued operation of the Cormorant at CFBs Comox and Gander, which experienced an aggressive flying transition due to the ongoing retirement of the Labrador aircraft imposed at CFB Comox. The manufacturer and the in-service support provider are working co-operatively to resolve logistics issues and support the required flying rate. The delivery of additional spare parts, the hiring of additional maintenance technicians, and growing familiarity with the aircraft has resulted in an improved level of aircraft maintenance support at CFBs Comox and Gander; consequently aircraft availability rates are gradually increasing. CFB Greenwood received Cormorant helicopters in second half of fiscal year 2002-03 and achieved preliminary operational capability near the beginning of fiscal year 2003-04. CFB Trenton received first

Cormorant helicopter in fiscal year 2003-04 and will achieve preliminary operational capability by the end of fiscal 2003-04.

Defence also took several steps to strengthen the materiel acquisition process and partnerships with the private sector, such as:

- signed a memorandum of understanding with the United States on the Joint Strike Fighter Program;
- continued support to the Defence Industry Advisory Council; and,
- maintained memoranda of understanding concerning materiel co-operation with key allies.

## **Realty Assets and the Canadian Forces Housing Agency**

Defence's realty assets and the portfolio of the [Canadian Forces Housing Agency \(CFHA\)](#) comprise the corporate infrastructure of the Defence team.

Defence is the largest building owner by quantity in the federal government, holding almost 44 percent of the federal inventory. By area, Defence has approximately one-third of the buildings inventory of the federal government, or almost 10 million square meters, and almost 5 percent of the federal land inventory, or almost 2 million hectares. The responsibility that comes with managing such vast amounts of infrastructure places a significant demand on our sustainment capability.

In 2002-03, steps were taken to meet our target to reduce realty assets by 10 percent. The total realty replacement cost for buildings, works and infrastructure, including houses was \$15.7 billion. In 2002-03, Defence's realty asset investment targets were set at 2 percent for maintenance and repairs and 2 percent for re-capitalization. However, less than 1 percent was spent on maintenance and repairs and approximately 1.7 percent on re-capitalization (excludes CFHA expenditures and investments).

Approximately \$40.4 million was spent to repair and maintain the homes of CF members in FY 2002-03. The housing portfolio had an average occupancy of 12,882 and an average vacancy of 4,221, for a vacancy rate of 25 percent. After three years of a seven-year program, National Defence disposed of 597 units, beginning this fiscal year with 16,773 and concluding with 16,176.

The Department received \$15 million during the fiscal year in proceeds from the disposal of real property.

## **Information Management and Information Technology (IM/IT)**

Information Management and Information Technology (IM/IT) are key enablers of Defence's Strategic Outcomes. Both the amount of information that is available today and our ability to access it has increased dramatically in recent years. Decision-making, both in the business world and on the battlefield, will continue to be a time-sensitive affair for the foreseeable future. As a result, large organizations are under increasing pressure to develop more suitable strategies for information management in the 21st century. The Department of National Defence and the Canadian Forces are no different: we have to transform ourselves from a hierarchical, industrial age organization into a national institution for the information age.

Key IM / IT achievements of the past year included:

- achieving the Information Technology Infrastructure's target of 99.9 percent network availability;
- positioning the Data Centre Services in support of national applications to meet a projected capacity increase on the order of 250 percent between 2002 and 2005;
- initiating a number of activities aimed at reducing IM/IT support costs; and,
- continuing to standardize the user software suite for the 55,000 departmental users.

## Command and Control

The "Command and Control" Capability Program is required to provide leadership and clear direction to military operations and the force generation and sustainment elements of DND, to present options for military action to accomplish government policy as situations arise, and to liaise with other government departments and the headquarters of allied nations and coalition formations. This capability includes DND assessment of developments around the world, and advice to government based on timely access to information and the conduct of independent appraisals as a prelude to any CF commitment. The capability includes Command, Control, Communications, and Intelligence.

### Key Partners

The following government departments, agencies and international organizations are key partners with Defence in support of this capability: [Solicitor General](#), [NORAD](#), Science & Technology community, [CSE](#), the U.S. military and, intelligence-sharing partners.

<b>Command and Control: Planned Results</b>	
The ability to collect, analyze, and communicate information, plan and co-ordinate operations, and provide the capabilities necessary to direct forces to achieve assigned missions.	
<b>Performance Measurement Areas</b>	
<ul style="list-style-type: none"> <li>Meet readiness levels for command, communications, and intelligence</li> </ul>	<ul style="list-style-type: none"> <li>Meet capability requirements for command, communications, and intelligence.</li> <li>Confidence in leadership</li> </ul>

<b>Command Control: Resources Consumed</b>		
	Planned	Actual
Departmental Spending	1,383.7 millions	1,445.1 millions
Human Resources-Military	5,973 FTEs	5,616 FTEs
Human Resources-Civilian	2,208 FTEs	2,313 FTEs
Capital Spending ( <i>included in Dept spending</i> )	416.4 million	363.7 million

### Results and Achievements

DND and the CF have made significant progress in their ability to meet readiness levels and fulfill the capability requirements for command, communications, and intelligence, and in building confidence in leadership.

The command and control of the broad spectrum of CF operations was effectively executed, largely as a result of the enhanced situational awareness provided by the National Defence Command Centre. Fiscal year 2002-2003 saw the development and implementation of inter-departmental procedures and protocols to deal with potential terrorist acts or air incidents and the development of a capability to activate an alternate "Command Centre" in the event of an emergency. Work on improving the interoperability of CF operational doctrine and procedures with our allies is also ongoing and should be completed by the summer of 2004.

Major intelligence initiatives were also undertaken in 2002-2003 to improve Defence's intelligence capabilities in the long term. The focus of these improvements was on strategic and regional intelligence, asymmetric warfare and enhanced coordination among the different organizations within Defence as well as between Defence and other government departments and agencies.

To this end, Defence is working on developing its Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) capabilities to ensure that we can operate effectively in the information age on both joint and combined operations. The evolutionary enhancements on the CF's command systems basic functional capability are progressing well, and should be completed over the next five years. Defence also continued its active involvement and partnership with the science and technology community and was a lead Canadian participant in the Combined Federated Battle Laboratory Network. A comprehensive CFNA Surveillance Plan for the North is in the development stages; as a starting point, the Arctic Security Interdepartmental Working Group is compiling a list of security concerns from government departments that operate in the North. An approved plan for enhanced signal intelligence (SIGINT) and Computer Network Defence capabilities is also being implemented. For more information on the performance of signals intelligence, see [Communications Security Establishment](#), Part IV of this report.

Although a number of challenges remain, a defence intelligence review continues to examine the intelligence function at National Defence. The results of this review, along with ongoing initiatives such as the promulgation of a new Joint Intelligence Doctrine, will serve to enhance Defence's intelligence capabilities in the long-term.

Defence has also made significant progress in strengthening Defence leadership. The Profession of Arms Manual is being finalized, work is beginning on the final draft of the Leadership Manual conceptual model and the Senior Leaders Program was reviewed. The Canadian Defence Academy continued implementation of Officership Professional Development 2020 and is in the process of validating the Advance Military Studies Course, the first course to undergo such a process. Finally, the Non-Commissioned Member Professional Development 2020 strategy to guide future non-commissioned member training, education and professional development was completed.

The Royal Military College is now granting a post-graduate degree - Masters of Defence Studies - to Canadian Forces Command and Staff Course students and, in 2002-2003, 49 graduates of this course were granted a Masters degree. Finally, the Canadian Forces Leadership Institute has extended its military academic networks and is developing work on lessons learned.

## **Corporate Policy and Strategy**

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

## **Key Partners**

The following government departments, agencies and international organizations are key partners with Defence in support of this capability: [Department of Finance](#), [Department of Foreign Affairs and International Trade](#), Canadian International Development Agency, [Privy Council Office](#), [Treasury Board Secretariat](#), [Office of the Auditor General](#), [Department of Justice](#), U.S military, [NATO](#), MTAP countries, industry, [Department of Transport](#), [Office of the Commissioner of Official Languages](#), Commissioner of the [Environment and Sustainable Development](#), [Information Commissioner](#), Privacy Commissioner, Canadian Human Rights Commission, [Military Police Complaints Commission](#), [Veterans Affairs Canada](#), the Ethics Commissioner and Ethics Communities.

### Corporate Policy and Strategy: Planned Results

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

### Performance Measurement Areas

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Meet budget and resource-allocation goals</li><li>• Appropriate governance and management mechanisms</li><li>• Defence culture reflects Canadian values and expectations</li></ul> | <ul style="list-style-type: none"><li>• Meet international obligations</li><li>• Meet domestic obligations</li><li>• Meet mandated programs requirements</li><li>• Meet environmental stewardship requirements</li></ul> |
|--|--|

### Corporate Policy and Strategy: Resources Consumed

	Planned	Actual
Departmental Spending	452.6 millions	501.0 millions
Human Resources-Military	933 FTEs	1,030 FTEs
Human Resources-Civilian	1,107 FTEs	1,285 FTEs
Capital Spending ( <i>included in Dept. spending</i> )	43.8 million	38.3 million

## Results and Achievements

### Policy Advice

DND continued to provide policy advice and guidance on both departmental and broader defence and security issues.

The Minister of National Defence launched a [Defence Update](#) from August to November 2002 to take stock of the defence program to ensure that it was sustainable. The Defence Update consisted of on-line consultations with Defence stakeholders, parliamentarians, and interested Canadians as well as an internal assessment of the Defence Program. The Defence Update concluded that the general framework of Canada's defence policy was sound but that there was a funding gap in Budget 2003.

We also provided policy advice to the Government and options for Canada's involvement in the international campaign against terrorism and remained engaged in OCIEP-led efforts to develop a domestic policy on critical infrastructure protection. We also continued to maintain a significant interest in space given its increasing importance to the defence of Canada and international stability. Finally, work was begun on the development of Strategy 2025 as a follow-up to [Strategy 2020](#), with a view to assessing the security challenges facing Canada in the post-September 11 strategic environment.

The DND continued to develop its close working relationship with the U.S. to address shared security needs and progress was achieved on a number of fronts. Key achievements include:

- the establishment of a [Bi-national Planning Group](#) for enhanced military cooperation between Canada and the U.S.;
- the development of Canada's position on possible participation in the U.S. missile defence system, in consultation with the Department of Foreign Affairs;
- the renegotiation of the Memorandum of Understanding for the Canada-U.S. Testing and Evaluation Program which will help strengthen our shared defence industrial base; and,

- the continued cooperation in a number of non-policy related areas, including efforts to improve interoperability between our forces through the officer exchange programs and participation in bi-lateral and multi-lateral training exercises at the strategic, operational and tactical levels.

In addition, the Office of Critical Infrastructure Protection and Emergency Preparedness (OC�PEP) continued to develop its working relationship with partners in the U.S. including the Information Analysis and Infrastructure Protection Directorate (IAIPD) of the U.S. Department of Homeland Security, which was established on March 1, 2003.

Defence also provided advice on a number of Alliance issues, including the Prague Capabilities Commitment and NATO transformation, NATO enlargement, the proliferation of weapons of mass destruction and their means of delivery, NATO-Russia, NATO-Ukraine, NATO-EU arrangements, relations with non-NATO European countries, NATO initiatives to increase defence capabilities (including strategic lift and capabilities against Weapons of Mass Destruction), and the concept of a NATO Response Force.

## Legislative Initiatives

Part 13 of Bill C-17, the [Public Safety Act, 2002](#) contains amendments to the [National Defence Act](#) in respect of the creation of a Reserve Military Judges panel, protection of DND/CF computer systems and networks, provincial requests for military assistance, and protection of the civil employment of Reservists. The Bill was introduced in the House of Commons on October 31, 2002. (Please note the [Department of Transport](#) has the lead on this Bill).

Preparatory work on the following Bills was accomplished during fiscal year 2002-03:

Bill C-31. This Bill amends the [Pension Act](#) in respect of the designation of "special duty areas" and "special duty operations". The Bill received Royal Assent on June 19, 2003.

Bill C-35. This Bill amends the [National Defence Act](#) to provide for the retroactivity of military judges' pay regulations and makes other minor amendments. The Bill was introduced in the House of Commons on May 1, 2003.

Bill C-37. This Bill contains amendments to modernize the [Canadian Forces Superannuation Act](#). The Bill was introduced in the House of Commons on May 15, 2003.

Bill C-44, the [Injured Military Members Compensation Act](#). This Bill compensates members and former members who were not covered by a government-funded insurance plan with respect to dismemberment and certain other losses. The Bill received Royal Assent on June 19, 2003.

## Security Arrangements

- **Military Training Assistance Program** The Military Training Assistance Program (MTAP) continued to promote Canada's national profile on the world stage by providing training to over 800 foreign students representing 53 countries from around the world. Training activities ranged from language and peacekeeping training to staff training, professional development courses, capacity building activities, expert team and delegation visits. MTAP's success is reflected in the positive feedback received from its participants as well as the increasing demands from non-member countries to join the program.
- **Exchange and Liaison Program** The CF continued to actively pursue a vibrant exchange and liaison officer program to further enhance interoperability with our allies while contributing to the professional development of the individuals participating in the program. During 2002-03, there were 152 CF personnel on exchange with the forces of the United States (80), United Kingdom (50), Australia and New Zealand (10); and the remaining twelve among France, Germany, The Netherlands, and Belgium.
- **Relations with Industry** Maintaining a strong defence industrial base in Canada that is, and will remain, responsive to the operational requirements of the CF is an important goal of Defence. To this end, Defence continued to work and explore partnerships with representatives of Canada's defence industrial base including individual firms and major industry associations in order to identify potential bilateral or multilateral industrial opportunities. We also used our offices internationally to broker resolutions to problems affecting Canadian defence firms.

## Governance and Modern Management

- **Resource Management** An important element of modern comptrollership is generating and using both financial and non-financial information more effectively to promote the sound management of resources, effective decision-making, and better performance management. National Defence's approach has been to integrate both financial and operational information by providing a comprehensive environment for department-wide financial management. Key achievements include:
  - further development of full accrual accounting under the [Financial Information Strategy](#) (FIS) which was implemented in 2001-02;
  - a comprehensive review of the Finance Officer Recruitment and Development (FORD) Program and the promulgation of the Defence FORD Charter which is considered a leader in the Government of Canada;
  - the ongoing development of a fraud risk management strategy; and
  - the development of a departmental financial planning model which is expected to be completed in 2003-04.

Detailed information on resource management is found in Part VI of this report.

- **Integrated Risk Management** Integrated Risk Management (IRM) is a part of the Treasury Board's ongoing efforts to modernize management practices in government. In fiscal year 2002-03 the Chief of Review Services conducted a study across the DND/CF to assess our current situation in IRM and how we could strengthen it. An action plan will be developed in 2003-04 to implement the recommendations of this study. In fiscal year 2003-03, an Integrated Risk Management Study was commenced and an action plan will be developed in 2003-04 to implement the recommendations.
- **Performance Measurement** The Department of National Defence and the Canadian Forces are committed to the highest standards of modern management practice. Defence is working hard to provide decision-makers with the best possible tools with which to base their decisions. The Defence Planning and Management Model (see Part II of this report for more details), which was completed this fiscal year, provides a system for tracking, analyzing and effecting departmental performance for the stated strategic objectives identified in the Department's Strategy Map.

As part of this model, National Defence has embarked on developing a performance measurement regime based on the "Balanced Scorecard." Performance management has focused on the continuing development of performance indicators and measures to inform the Performance Management Framework. As part of our efforts to improve performance, we are promoting and supporting a continuous improvement approach to strategic change through the promulgation of the [Continuous Improvement Primer](#) and the [Alternative Service Delivery Policy and Methodology](#).

- **National Procurement (NP)** Over the past years, the National Procurement (NP) account (for spares, repairs, overhauls, engineering services etc.) has experienced very significant pressures. In April 02, the NP program initial allocation was \$1,453.4 million. As the year passed, approximately \$302 million was injected into NP to alleviate the identified funding pressures (including incremental funds in support of Operation APOLLO and Operation GRIZZLY). This substantial increase brought the final allocation to \$1755.4 million. Overall, through sound and prudent cash management, pressures were alleviated. Over the past three years, it became apparent that the NP Program could not manage within the initial allocation and additional funding had to be transferred into the account throughout the year. To help address the issue, the Program Management Board (PMB) directed the establishment of the National Procurement Oversight Committee (NPOC).

The primary role of this committee is to provide strategic advice and recommendations to PMB in relation to major NP activities, plans and policies and to facilitate NP management. The NPOC will provide a mechanism to improve communications with the NP service recipients in order to deal with issues, challenges, funding levels and process improvements. Other areas to be examined by the NPOC include the definitions of Capital versus NP, Defence Management System process changes and performance measurement. The NPOC will provide the means within which various activities can be brought together into a comprehensive view of overall NP in DND/CF.

- **Information Management and Information Technology**

At the departmental level, Information Management and Information Technology (IM/IT) expenditures amounted to over \$900 million. To ensure good governance and management, a Non-Strategic IM Capital Apportionment and an IM/IT corporate account were established, work on the development of a comprehensive IM/IT governance framework commenced and the financial account structure for IM/IT expenditure reporting was revamped. In 2002, an Information Management Strategic Review was conducted to ensure that National Defence was making the best possible use of the resources that were being directed to information management. The key decision stemming from the Review was to adopt an enterprise model for IM in DND and the CF with appropriate adjustments to accountabilities, responsibilities and authorities. It also directed the creation of an enterprise service delivery business model for the management of Enterprise Resource Planning services, which is currently underway.

## Human Resources (HR) Management

- **Military**

Over the last year, in terms of military human resource management, we:

- established a Human Resources Strategic Working Group;
- commenced the Human Resources Transformation project;
- published [HR 2020](#), which extends and updates the human resources strategy presented in Beyond 2000;
- produced the annual Long Term Capability Plan (Human Resources) and approved a governance and process document;
- conducted research on social and managerial trends and determined the impact of these trends on the DND and the CF; and,
- commenced the conversion and update of human resource policies to [Defence Administrative Orders and Directives](#).

- **Civilian**

In terms of civilian human resource management, we:

- developed planning and accountability tools, and initiatives to track and support on-going monitoring;
- instituted a project management approach to implement human resource initiatives;
- harmonized civilian and military human resource initiatives, where feasible;
- established key partnerships to facilitate working horizontally and cross-functionally;
- strengthened governance and accountability through the establishment of various management committees, including the involvement of military leaders; and,
- developed a Civilian Policy Renewal Framework to update and convert in line with central agency direction and with the [Defence Administrative Orders and Directives](#) policy.

## Official Languages (OL)

While progress has been made in some areas of the Official Languages Program, DND and the CF continue to experience difficulties and constraints in other areas which are impeding progress. Performance information for both the military and civilian element of the Official Languages program is reported in the Annual Review of Official Languages (April 2002-March 2003). The Annual Review of Official Languages may be found on the internet at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/ol/intro\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/ol/intro_e.asp).

## Employment Equity

The CF is now officially governed by the [Employment Equity Act](#) as a result of Governor-in-Council approval for special [CF Employment Equity Regulations](#) obtained in November 2002. The preliminary results of the CF Self-Identification Census were published: 16 percent were women, 4.2 percent members of visible minorities, 3.4 percent Aboriginal Peoples and 3.1 percent Persons with Disabilities.

The Defence Advisory Groups made numerous visits to CF bases across Canada to promote employment equity, and to encourage the stand-up of local or regional Advisory Groups. In addition, the Advisory Group Secretariat was fully staffed this past year, allowing it to participate in a number of local, national and international events.



Performance information on civilian employment equity issues is reported in the Employment Equity Progress Report FY 2002-03. This report may be found on the internet at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/masop/intro\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/masop/intro_e.asp).

## **Environmental Stewardship**

The Sustainable Development Strategy, Environmentally Sustainable Defence Activities, a [Sustainable Development Strategy \(SDS\) for National Defence, December 2000](#), continues to provide the overall environmental agenda for the Department. Progress toward the individual targets contained in this SDS is detailed in Part V, Consolidated Reporting.

Three departmental initiatives are used to address significant environmental issues: the Corporate Environmental Program (CEP), the Decommissioning Program, and clean up of the Distant Early Warning (DEW) Line sites. CEP projects did not progress as rapidly as planned due to contract award / implementation delays. The DEW Line Clean-up, designed to clean up 21 old radar sites spread across the Arctic, did not start as planned at one location due to delays in obtaining all necessary permits. The Decommissioning program, addressing the closure of military facilities announced in 1994 and 1995, progressed as planned.

## **Material Management, Procurement, and Contracting**

Performance information is reported in Part V of this report.

## **Audit and Evaluation**

National Defence continued to implement the new Treasury Board internal audit and evaluation policies. In keeping with the internal audit policy, rigorous audits were conducted, generating high levels of assurance. Evaluators continued to assist DND and CF managers in the development of [results-based management and accountability frameworks](#). Overall, audit and evaluation continued to deliver high-quality products and services consistent with the current priorities and long-term strategy of DND and CF. Completed reports are available at [http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.forces.gc.ca/crs/rpt/reports\\_e.htm](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.forces.gc.ca/crs/rpt/reports_e.htm).

The [Office of the Auditor General](#) and the [Commissioner of the Environment and Sustainable Development](#) issued several reports that involved DND in some capacity. These include:

- Information Technology Security;
- NATO Flying Training in Canada;
- Parc Downsview Park Inc.;
- Recruitment and Retention of Military Personnel;
- Sustainable Development Strategies;
- The Environmental Petitions Process;
- The Legacy of Contaminated Sites; and,
- Very Long Range Communication System.

## **Access to Information and Privacy**

The percentage of [Access to Information Act](#) cases completed within allowable time frames remained at an impressive 84.6 percent; leading the Information Commissioner to state in his [2002-03 Annual Report to Parliament](#) that DND "has made major improvements to the access process over the past few years." Through continued efforts to promote informal access, formal [Privacy Act](#) requests have steadily decreased over the last five years. Performance information is reported in [National Defence Annual Report to Parliament 2002-2003](#).

## Safety

- **General Safety**  
Defence's General Safety Program is among the most comprehensive and dynamic occupational health and safety programs in the federal government. Notwithstanding the overall effectiveness of the program, a preliminary review of an ongoing internal evaluation of the program demonstrates that there are further improvements that can be made which will be addressed during 2003-04. Performance information of the [General Safety Program](#) (GSP) is reported in the Annual [Report of the General Safety Program FY 2002-03](#).
- **Nuclear Safety**  
Performance information on nuclear safety is reported in the [Annual Report on Nuclear Safety in DND/CF](#).

## Military Police Services

The [Canadian Forces Provost Marshal](#) continued to implement initiatives aimed at enhancing the overall independence and efficiency of military police services and ensuring compliance with recommendations of the [Dickson](#) (1998) and [Belzile](#) (1999) reports. Key achievements include the phasing in of a state-of-the-art computerized databank of police information (SAMPIS) and the deployment of 79 military police members to Canadian embassies in 38 countries around the world as part of the Military Security Guard Unit.

The transfer of the Canadian Forces Military Police Academy from Assistant Deputy Minister (Human Resources - Military) to Vice-Chief of the Defence Staff as planned for the fall of 2002 was not completed, but is now underway.

In 2002, CFPM received a total of 72 complaints, representing about a 20 percent drop from the previous year. A legal officer was assigned to the CFPM to provide advice on issues related to the public complaint process and to act as a legal point of contact for the [Military Police Complaints Commission](#).

As a result of the CF recruiting campaign of 2001, total National Defence requests for both reliability screening and security clearance increased significantly from 43,000 in 2001 to 53,000 in 2002, affecting processing times for clearances. .

## Reflecting Canadian Values and Expectations

- **Defence Ethics Program**  
The [Defence Ethics Program](#) (DEP) has continued its efforts toward becoming an integrated and comprehensive program. DEP awareness, dialogue and accountability have been strengthened through a DND/CF-wide Focus on Ethics event and the reinforcement of ethics in DND/CF learning and training programs. The first three-year cycle of the DEP Performance Measurement Framework, developed for monitoring and reporting on key aspects of the DEP in core areas, has transitioned with the completion of the organization-wide Focus on Ethics event, the completion of preparations for a second DND/CF ethics survey, and the evaluation of the results of those activities, which will establish the Program direction for the next three-year cycle.
- **Military History and Heritage**  
Once again, in fulfilling its role as a national institution, DND completed a number of projects that reflect and reaffirm Canadian values and expectations. In 2002-03, Defence published [Canada and the Korean Conflict](#) and [No Higher Purpose: The Official Operational History of the Royal Canadian Navy in the Second World War](#). Defence also completed amendments to CF Drill Manual, the CF Dress Manual, and the CF Heritage Manual and, in co-ordination with [Veterans' Affairs Canada](#), conducted two pilgrimages to Europe. Work continues on five peacekeeping/peace enforcement official histories, and two volumes of naval official history and a plan is in place for a collaborative history with the US and Royal Australian Navy to examine post-Gulf War naval operations in that theatre. This is the first such multinational collaborative history involving official history sections. Through enhanced internal communications, progress was also made in gaining the cooperation of units and individuals in the submission of war diaries for the official record. Finally, Defence supported 64 accredited CF Museums, including two new museums, and the 2002 Annual Organization of [Military Museums](#) of Canada's Museology Course.
- **External Communications and Public Relations**  
DND delivered an unprecedented volume of public relations programming to academics, business and civic

leaders, parliamentarians, and youth across Canada. DND also strengthened relationships with existing stakeholders and developed ties with new stakeholder groups. In brief, DND:

- coordinated approximately 100 speakers programs throughout Canada;
- coordinated more than 20 media briefings and round tables on key DND/CF issues;
- reached more than 100 parliamentarians through the Canadian Forces Parliamentary Program, speakers programs, familiarization visits, and information distribution;
- raised awareness of the importance of Canada-U.S. relations by distributing information to 1,000 Members of Congress and legislative staff;
- coordinated events reaching over 200 women and hundreds of members of ethnic communities;
- reached more than 23,000 students through speakers programs;
- increased use of electronic media for public relations such as the inventive ["Write to the Troops"](#) campaign;
- improved internet access to all 50,000+ DND/CF users through the National Defence On-Line initiative; and,
- improved internal communications through the creation of the Internal Communications Support Team (ICST), a pilot project in place until March 31, 2004, internal communication throughout the Department. On-going ICST projects include:
  - Connections, a newsletter targeted at communicators in the department;
  - DND Internal Communication Handbook, a complete how-to for those tasked to do internal communication-related duties;
  - a training program specifically for internal communication in DND/CF;
  - intranet enhancement, a multi-faceted effort guided by the people First initiative; and,
  - a draft Defence Administrative Order and Directive for internal communication.

## Part IV: Selected Defence Portfolio Organizations

### Communications Security Establishment & National Cryptographic Program

#### Mandate

The Communications Security Establishment (CSE) is an agency of the Department of National Defence. It was established in 1946 and became part of Defence in 1975. [The Anti-Terrorism Act](#) of 2001 amended the [National Defence Act](#), codifying CSE's mandate to:

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

As Canada's cryptologic agency, CSE provides two separate but related programs:

The **signals intelligence (SIGINT)** program provides unique and timely foreign intelligence consistent with Canadian Government requirements and priorities. This information is used for strategic warning, policy formulation, decision-making and day-to-day assessment of the capabilities and intentions of foreign entities. The CSE provides foreign intelligence, some of which is gathered and shared by the U.S., UK, Australia and New Zealand, to a number of senior clients in Government.

The **information technology security (ITS)** program provides technical leadership and expertise, advice, guidance and services to the Government of Canada to protect information and information systems and infrastructures. This includes high-level IT security consulting; identifying cyber vulnerabilities and threats; and, contributing to the development of Government IT security policy and standards.

## Accountability

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

Two Deputy Ministers the Deputy Minister of National Defence and the Associate Secretary to the Cabinet (Deputy Minister to the Deputy Prime Minister and Security and Intelligence Co-ordinator at the Privy Council Office), ensure that the Minister is fully informed of CSE's activities. The Associate Secretary is accountable for CSE's policies and operations, and the Deputy Minister of National Defence is accountable for CSE's administrative matters.

In addition, the [CSE Commissioner](#) is mandated in the National Defence Act to: review the activities of the CSE to ensure that they are in compliance with the law; respond to complaints and undertake any investigation that the Commissioner considers necessary; and inform the Minister of National Defence and the Attorney General of Canada of any CSE activity that the Commissioner believes may not be in compliance with the law. The Commissioner also provides the Minister with classified reports on the legality of CSE activities and publishes an Annual Report, which is tabled in Parliament by the Minister of National Defence.

## Partners

CSE works closely with a number of domestic and international partners to accomplish its mission, including:

- [Canadian Forces Information Operations Group](#) ;
- [Canadian Security Intelligence Service](#) ;
- [Office of Critical Infrastructure Protection and Emergency Preparedness](#) ;
- [Privy Council Office](#) ;
- [Royal Canadian Mounted Police](#);
- [Treasury Board Secretariat](#); and,
- members of the security and intelligence communities of Canada's allies.

## Risks and Challenges

The Communications Security Establishment's most significant challenges and risks arise out of the rapidly evolving global security environment and changes in information and communications technology. Currently, CSE is focusing on:

- meeting the increased operational demands of the evolving global security environment;
- keeping current on changes to information and communication technology in all three of its mandated functions; and
- managing the organization's growth, as initiated in [Budget 2001](#) , and the implementation of its new authorities under the Anti-Terrorism Act.

## Results

CSE responded to the challenges of the evolving security environment and the changes in information and communication technology by accomplishing the following:

- increasing capacity and creating new products and services that deal with global security issues, including terrorism;
- developing new initiatives to bolster the Government's ability to ensure the security of its information systems;
- creating new processing and dissemination systems to improve the agency's ability to share information quickly;
- strengthening domestic and foreign partnerships to enhance coordination, eliminate duplication, and increase the value of shared information;

- creating a new and strengthened technical capacity to gather intelligence from the global information infrastructure;
- recruiting from a variety of fields, including engineering, computer science, mathematics and languages, to ensure that CSE has the leading-edge skill sets it requires;
- modernizing CSE's management practices, based on the Government-wide modern comptrollership initiative, to ensure that the organization is delivering the greatest possible results for clients; and,
- enhancing internal control and accountability mechanisms to ensure effective implementation of new authorities and responsibilities.

## Resources

<b>Financial (\$ 000's) and Human Resources (FTEs) By Fiscal Year</b>				
	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Planned</b>	<b>Actual</b>
Vote 1 - Salary and Personnel	\$58,417	\$68,125	\$69,100	\$75,089
Vote 1 Operations and Maintenance	22,342	53,016	41,789	46,332
Vote 5 Capital	48,472	67,892	29,036	51,688
<b>Total</b>	<b>\$129,231</b>	<b>\$189,033</b>	<b>\$139,925</b>	<b>\$173,109</b>
<b>Human Resources (FTEs)</b>	915	942	1156	1115*

Source: Communication Security Establishment Note: \*Growth schedule adjusted to accommodate labour market conditions and logistical constraints.

More information on CSE can be obtained at:

<http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.cse-cst.gc.ca/>.

## Defence Research and Development Canada

### Mandate

Defence Research and Development Canada (DRDC), an agency within the Department of National Defence, provides leading edge Science and Technology to the CF.

DRDC provides research and development leadership both nationally and internationally by providing the Canadian Forces with relevant and timely technologies, while at the same time offering attractive collaborative opportunities to other government departments, the private sector, academia and international allies.

### Accountability

The Assistant Deputy Minister (Science & Technology) of the DND is the Chief Executive Officer of the DRDC.

Under a Memorandum of Understanding (MOU) signed November 2002, the [Operational Research Division](#) (ORD) of National Defence became part of DRDC effective 1 April 2003. The ORD has a highly specialized staff of about 150 located within the National Capital Region, across Canada, and internationally. For program and daily operations, the Operational Research Division will remain co-located with, and under the direction of, the Deputy Chief of the Defence Staff (DCDS). The Director General of the ORD is responsible to DRDC for the effective delivery of the operational research program.

## Partners

DRDC has a long history of partnering, especially with our international allies through the [Technical Cooperative Program](#), [NATO](#), and various bilateral and trilateral agreements. These relationships have benefited DRDC's program and have led to the successful development, commercialization, and exploitation of many technologies and systems. Cooperation at the earliest stage of concept and equipment development is a precursor to effective interoperability.

Nationally, DRDC has played a leading role in the development of the [Federal Innovation Networks of Excellence \(FINE\)](#), in which federal laboratories, universities, and the private sector will be networked under federal leadership to augment and integrate Canada's capacity in science and technology.

As a pilot project for FINE, DRDC is leading the Chemical, Biological, Radiological, Nuclear Research and Technology Initiative (CRTI), a five-year, \$170 million initiative established in [Budget 2001](#) to strengthen Canada's preparedness for a CBRN terrorist attack. CRTI partners include [Environment Canada](#), [Health Canada](#), and the [Canadian Food Inspection Agency](#).

## Risks and Challenges

The evolving security environment has provided many new risks and challenges to DRDC. The safety and security risks facing modern societies have expanded to include bio- and cyber-terrorism, critical infrastructure vulnerability, new health hazards, and climate change. Modern technology is having a profound impact on military thinking and the evolution of operational concepts and doctrine, affecting the CF's ability to operate in increasingly complex theatres of operations. Minimal investment due to limited resources has led to the general deterioration of DRDC's infrastructure and research facilities.

## Results

In response to these challenges, and within the context of the Government's innovation strategy, DRDC has identified four strategic goals in order "to be known worldwide as the best in defence research and development." These goals are:

- establishing DRDC laboratories as regional "innovation hubs" in partnerships with the private sector and universities;
- partnering strategically with the world's best research and development organizations, and pursuing opportunities both nationally and internationally to exploit new concepts and products that can be inserted into new and existing technology;
- positioning DRDC to support national security needs and connect effectively with the U.S. on defence and security issues; and,
- continuing to focus on defence clients by responding to their needs and building a strong relationship with them through simple and effective communications.

DRDC has taken steps towards achieving these goals, including:

- implementing the Technology Investment Strategy (TIS), which outlines the research and development required to develop the science and technology capacity required for future defence and national security. The TIS will expand DRDC's technology watch and assessment capabilities, and will aid DRDC in supporting the CF's participation in multinational operations in the evolving security environment. A framework for the TIS was approved by the DRDC Advisory Board and outlines a strategy to secure funding for research and development in order to progress full implementation of the TIS by 2004 by the end of fiscal year 2002-03, DRDC recruited 71 of the planned 85 new science and technology workers required;
- developing the Canadian Counter-Terrorism Technology Centre (CTTC) to ensure that the CF and Canadian first responders are prepared to protect national security interests against chemical and biological threats. The funds allocated for the CTTC in budget 2002-2003 were insufficient to fully staff and equip the center. DRDC is currently exploring other avenues to address this problem;

- investing in learning to ensure that DRDC employees have the knowledge, skills, and competencies they require to respond to the challenge of a rapidly changing work environment; and,
- leveraging and generating external revenues.

Table 1 shows target versus achieved results regarding leveraging efforts and externally generated revenues for 2002-03.

Source	Target	Achieved
Leveraging from national partners	\$28M	39.6M
Leveraging from allies	\$38M	39.4M
Revenue from external sources	\$8.5M	\$7.4M

*Source: Defence Research and Development Canada*

## Resources

	2000-01	2001-02	2002-03	
	Actual	Actual	Planned	Actual
Vote 1 - Salary and Personnel	65,385	71,426	69,903	77,232
Vote 1 - Operations and Maintenance	24,114	25,192	27,947	29,878
Vote 1 - R&D Contracts	88,155	106,837	88,914	89,260
Vote 5 - Capital	12,360	10,014	7,905	8,727
Vote 1 - CCMAT	-	3,448	1,867	1,985
Vote 1 - CRTI	-	-	-	4,402
Vote 5 - CRTI	-	-	29,797	11,028
<b>Total</b>	<b>190,014</b>	<b>216,917</b>	<b>230,423</b>	<b>222,512</b>

*Source: Defence Research and Development Canada Note: Expenditures do not include the Operational Research Division, which was not fully integrated into DRDC until April 2003.*

More information on DRDC can be obtained at:

<http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.drdc-rddc.gc.ca/>.

## National Search and Rescue Secretariat and National Search and Rescue Program

### Mandate and Accountability

The National SAR Secretariat (NSS) is accountable to the Lead Minister for Search and Rescue, who is the Minister of National Defence. Through the Interdepartmental Committee on Search and Rescue (ICSAR), for the development, co-ordination, analysis and review of federal search and rescue (SAR) program policies, plans, and activities. It coordinates

the multi-jurisdictional National Search and Rescue Program (NSP) in response and prevention activities involving all levels of government, volunteer organizations, and private and public organizations to create a seamless safety net. The Secretariat also manages the \$8.1-million New SAR Initiatives Fund (NIF) for projects to improve search and rescue in Canada and leads Canadian participation in the international [COSPAS-SARSAT](#) satellite program.

## Partners

The NSP provides response and prevention services directly to the public. To accomplish this, the NSS works in partnership with international, federal, provincial, and territorial clients and stakeholders to continue to develop, maintain, and deliver a seamless SAR system. Members of six federal departments and agencies are responsible for SAR operational program delivery. These include:

- [Environment Canada](#)/Meteorological Service of Canada
  - [Department of Fisheries and Oceans](#)/Canadian Coast Guard;
  - [Department of National Defence](#)/Canadian Forces;
  - [Parks Canada](#);
  - [Royal Canadian Mounted Police](#); and,
  - [Transport Canada](#)
- The performance results of the NSS and the NSP are submitted through DND for administrative purposes. Reports on SAR activities of individual federal departments and agencies can be found in their respective reports and web sites.*

## Risks and Challenges

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

## Results

In order to address these risks and challenges, the key priority for the Secretariat was the **Strategic Transition Initiative Project**. The purpose of this project is to:

- develop an improved management and accountability framework and improved planning and reporting process for the federal SAR program;
- obtain the support of all provinces and territories for a common vision and objectives for the national SAR program; and,
- support CFs' initiatives in major air disaster plans.

As a result of its focus on this priority, the Secretariat achieved the following outcomes:

### **A cohesive and efficient National SAR Program by:**

- supporting the Ground SAR Council in developing common criteria for ground SAR training and proficiency across Canada;



- supporting planning and evaluation of a multi-jurisdictional exercise in the Arctic;
- improving NIF proposal quality and process responsiveness, and investing \$8.1 million in 88 projects to improve SAR in Canada; and,
- implementing a web-based Canadian Beacon Registry.

**An informed and well-educated SAR community and general public by:**

- improving the NSS website, in content and format, to improve information available to the Canadian and international SAR community; and,
- expanding the scope of the [SARSCENE](#) workshop and trade show to increase information/exchange, and strengthened the Canadian SAR community.

**Developed influential national and international partnerships by:**

- leading the Canadian delegation to international SAR satellite meetings;
- establishing a collaborative approach with Canadian SAR partners in preparing for and reporting on international meetings; and,
- negotiating staff exchanges between the NSS and the Maritime and Coastguard Agency, UK.

**Created an effective, efficient and healthy NSS organization by:**

- developing an employee-led Healthy Workplace initiative, and employee learning passports; and,
- upgrading computer systems.

**Search and Rescue Incidents**

As illustrated in Figure 1, 8,001 Search and Rescue incidents were conducted under federal authority in 2002 with the majority being marine operations, which is consistent with previous years.

**Resources**

	2000-01	2001-02	2002-03	
	Actual	Actual	Planned	Actual
Vote 1 - Personnel & Operating	\$1,812	\$1,795	1,979	2,063
Vote 5 - Capital (1)(2)	\$6,153	7,512	7,949	7,449
Vote 10 - Grants and Contributions (3)	746	960	461	987
<b>Total</b>	<b>\$8,711</b>	<b>\$10,267</b>	<b>10,389</b>	<b>10,499</b>

*Source National Search and REscue Secretariat*

Notes:

(1) Includes \$95,000 in NSS capital and \$8.1 million New SAR Initiatives Fund (NIF) less capital converted to contribution for provincial and territorial NIF projects.

(2) \$1.1 million NIF carried forward to 2003-04

(3) Includes NIF capital converted to contributions for provincial and territorial projects. plus \$215,000 for COSPAS-SARSAT.

**Table 2: National Search and Rescue Program-Resources by Department and Agency (FTEs)**

Personnel (FTEs)				
Department or Agency	2000-01	2001-02	2002-03	
	Actual	Actual	Planned	Actual
NSS	16	19.5	19.5	19.5
EC	14	14	14	14
DFO/CCG (1)	717	N/A	N/A	N/A
DND/CF	760	737	706	637
PC	67	67	64	64
RCMP (2)	N/A	N/A	N/A	N/A
TC	7	7	7	7
<b>Total</b>	<b>1,581</b>	<b>844.5</b>	<b>850.5</b>	<b>741.5</b>

Source National Search and Rescue Secretariat

Notes:

(1) As COG operation involve multi-tasking. FTE figure were no available.

(2) 2000-01 and 2001-02 actuals revised include more recent information.

(3) As most of the financial and resource allocations for Search and Rescue (SAR) are provided under provincial auspice, costs and Full Time Equivalent identification are difficult to gauge in terms of a federal program. The RCMP does not have any primary resources dedicated at the federal level to SAR. RCMP services may be requested through multi-tasking of vessels/air services, and may support other departments to the extent possible when lives are at stake.

**Table 3: National Search and Rescue Program-Resources by Department and Agency Costs (\$000)**

Personnel (FTEs)				
Department or Agency	2000-01	2001-02	2002-03	
	Actual	Actual	Planned	Actual
NSS	\$8,711	\$10,267	\$10,589	\$10,499
EC	985	985	985	985
DFO/CCG	90,870	94,108	103,493	86,295
DND/CF (1)	339,364	220,802	296,128	181,095
PC	4,929	4,929	4,929	4,929
RCMP(2)	N/A	N/A	N/A	N/A
TC	903	970	985	985
<b>Total</b>	<b>\$445,762</b>	<b>331,091</b>	<b>416,909</b>	<b>284,788</b>

Source National Search and Rescue Secretariat

Notes:

1. The difference between the Planned and Actual figures in 2002-03 is a result of lower than anticipated SAR helicopter project costs and to an improved allocation of these and other operating costs based on actual SAR activity levels. 2000-01 actuals revised to include more recent information.

2. As most of the financial and resource allocations for Search and Rescue (SAR) are provided under provincial auspices, costs and Full Time Equivalent identification are difficult to gauge in terms of a federal program. The RCMP does not

*have any primary resources dedicated at the federal level to SAR. RCMP services may be requested through multi-tasking of vessels/air services, and support other departments to the extent possible when lives are at stake.*

More information on the National Search and Rescue Secretariat and the National Search and Rescue Program can be obtained at: <http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.nss.gc.ca/>.

## **Office of Critical Infrastructure Protection and Emergency Preparedness**

### **Mandate**

The mandate of the Office of Critical Infrastructure Protection and Emergency Preparedness (OCIPEP) is to develop a comprehensive approach to protecting Canada's critical infrastructure and to be the government's primary agency for national civil emergency preparedness for all types of emergencies. OCIPEP provides national leadership in critical infrastructure protection and ensures Canada's readiness to manage emergencies in an environment of increasing risk, which could severely affect the health, safety, security, and economic well being of Canadians. OCIPEP's mission is to enhance the safety and security of Canadians in both their physical and cyber environment. Its vision is a safer more secure Canada.

### **Accountability**

OCIPEP is a civilian organization within the portfolio of the Minister of National Defence who is also the Minister Responsible for Emergency Preparedness in Canada.

### **Partners**

OCIPEP is working with a range of stakeholders to develop effective partnerships with key players essential to carry out its mandate. They include:

- developing agreed roles and responsibilities with key government departments;
- developing stronger relationships with the provinces/territories, based on mutually beneficial programs and collaborative activities;
- promoting cooperation and understanding between OCIPEP and the private sector, including non-governmental organizations and the national sector associations in the areas of energy, telecommunications, banking, finance, health, transportation, food, water and the chemical industry; and,
- working with international partners, primarily the United States and its Department of Homeland Security. In addition, through participation in selected international organizations, OCIPEP identified opportunities for international Critical Infrastructure Protection and Emergency Measures (CIP/EM) coordination and collaboration.

### **Risks and Challenges**

OCIPEP's ability to deliver on its mandate will depend on its ability to ensure:

- a high level of awareness of, and commitment to, the importance of CIP/EM is sustained, on the part of governments and key private sector and non-governmental leaders and authorities, thus assuring the safety and security of Canadians;
- an appropriate level of CIP/EM risk management capacity and co-ordination is achieved among the key CIP/EM players;
- a strong public policy framework to support and sustain required CIP/EM policies, programs, partnerships and operations;

- appropriate partnership arrangements among other government departments, as well with other levels of government, the private sector, non-government organizations and international partners, which contribute to the success of the other factors; and,
- the provision of adequate resources to meet these challenges.

## **Results**

In order to meet these risks and challenges, OCIPEP began and continued work related to meeting the objectives set out in the Government's National Framework, approved in August 2001.

### **Addressing requirements to put the Government of Canada's critical infrastructure "house" in order by:**

- completing the Government of Canada's Readiness and Response Review to improve the federal government's ability to deliver a coordinated response to emergencies requiring federal involvement;
- continuing, with the assistance of Treasury Board, its work on the development of Business Continuity Planning Standards to ensure the continuity of federal departmental operations;
- developing the Government of Canada Critical Infrastructure Protection project - a process that will identify, assess and protect the Government's critical infrastructure; and,
- ongoing work in support of the Office's statutory role to establish arrangements for ensuring the Continuity of Constitutional Government.

### **Enhancing national operational capabilities by:**

- initiating the development of a National Readiness and Response Framework to improve overall Canadian emergency readiness and response capacities;
- developing with the Solicitor General a draft proposal for a new incident response mechanism to provide a blended approach to crisis and consequence management (i.e. National Incident Response Structure);
- creating with key cyber security departments and agencies the Cyber Incident Coordination System to provide a comprehensive, coordinated and integrated Government of Canada response to cyber incidents and vulnerabilities;
- developing and implementing CBRN training for first responders;
- developing a Canadian Information Protection Coordination Centre, a concept designed to provide a robust set of Information Technology security services to provinces and territories and the private sector;
- coordinating jointly with the Solicitor General the planning and execution of Canadian involvement, including the active participation of British Columbia, in a U.S. exercise in order to test and validate Canada's domestic and international crises and consequence management response capability for terrorist incidents;
- participating in the creation of a new threat assessment mechanism to identify and assess threats for Canada; and,
- undertaking a review of the roles and structure of OCIPEP's regional offices, in order to maximize their contribution to the Office.

### **Building creative and sustainable federal, national, and international partnerships by:**

- developing a Strategic Partnerships Framework to serve as a common umbrella framework for sub-strategies for the private sector, provinces and territories and international partners;
- developing an inventory of issues relevant to Federal-Provincial/Territorial relations as the first step towards a Federal-Provincial/Territorial Relations Strategy;
  - developing a cyber security coordination strategy in cooperation with the provinces and territories and critical infrastructure owners and operators towards a network for the detection and response to cyber incidents;
  - instituting conference calls with the provinces and territories, other government departments, and the private sector on threats and vulnerabilities and distributing relevant threat information;
  - developing "walk through" scenarios with critical infrastructure industry sector associations and federal government partners;
  - hosting Federal-Provincial/Territorial meetings and teleconferences at the level of Deputy Ministers and Senior Officials;

- creating a Cyber Warning Network with the U.S., Australia and the U.K.;
- co-chairing, under the Smart Border Declaration, several working groups on information sharing, mapping, interdependencies and cyber security;
- working towards the establishment of a liaison position in both the Canadian Embassy in Washington, D.C. and the Bi-National Planning Group at Colorado Springs; and,
- developing contacts and relationships with the Department of Homeland Security and other international partners.

**Implementing effective, targeted programs by:**

- reviewing the Joint Emergency Preparedness Program (JEPP) to build capacity in the provinces and territories to meet objectives and goals for the assurance and protection of critical infrastructure;
- continuing the review of the Disaster Financial Assistance Arrangements (DFAA) to make them more effective and to reduce ambiguity given the changing nature of disasters;
- developing a National Critical Infrastructure Assurance Program discussion paper to provide a framework for co-operative actions by infrastructure owners, operators, governments and others for a more resilient and viable National Critical Infrastructure;
- developing a national Urban Search and Rescue (USAR) strategy and program in support of provincial/territorial efforts to equip USAR teams across Canada; and,
- encouraging research and development projects to help solve problems and challenges in the cyber security and emergency management fields.

**Strengthening the policy framework on critical infrastructure protection and emergency management by:**

- developing a CBRN Strategy that will guide decisions on national efforts required to address the current threat environment;
- creating an interdepartmental committee (Cyber Security Coordination Committee) to discuss and seek interdepartmental agreement on strategic policies and issues related to the cyber security posture of the Government of Canada;
- reviewing OCIPEP's policy and statutory framework; and,
- continuing the development of the National Disaster Mitigation Strategy to reduce or eliminate the long-term impacts and risks associated with natural and human-induced disasters.

**Resources**

This table shows the personnel and financial resources used by OCIPEP for its programs and activities.

<b>Financial (\$ 000's) and Human Resources (FTEs) by Fiscal Year</b>				
	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Planned</b>	<b>Actual</b>
FTE s (250)	101	173	250	225
<b>Operating &amp; Capital</b>				
Vote 1 - SALARY (note 1)	6,540	9,603	11,148	13,167
Vote 1 - OPERATING (note 1)	8,802	15,216	10,022	22,402
Vote 5 - CAPITAL	1,082	2,264	447	620
<b>Sub-total Vote 1 &amp; Vote 5</b>	<b>16,424</b>	<b>27,083</b>	<b>21,617</b>	<b>36,189</b>
Vote 10 - GRANTS & CONTRIBUTIONS				

JEPP	4,721	4,716	4,781	4,781
Stuart Nesbitt White Fellowship Grant (SNWFG)	54	54	54	159
DFAA	106,173	165,855	200,000	4,815
USAR	0	1,000	5,000	1,250
CBRN FIRST RESPONDERS	0	4,570	0	4,500
<b>Sub-total Vote 10</b>	<b>110,948</b>	<b>176,195</b>	<b>209,835</b>	<b>15,505</b>
<b>TOTALS</b>	<b>127,372</b>	<b>203,278</b>	<b>231,452</b>	<b>51,694</b>

Note 1 (Vote 1):

*In FY 02-03, the increase spending for salaries and operating reflects funding obtained through the Supplementary Estimates for Public Security and Anti-Terrorism Initiatives as announced in the December 2001 Budget.*

Note 2 (Vote 10):

- SNWFG: In FY 02-03, \$105K supplementary funding was received through the Public Security and Anti-Terrorism envelope for the grant known as "The OCIPEP Research Fellowship in Honour of Stuart Nesbitt White"; however, the requisite authorities were not obtained to increase spending for this grant program. As a consequence, actual expenditures exceeded planned expenditures by \$105K. OCIPEP is improving its financial management to ensure this situation does not happen again.
- DFAA: The 2002-03 planned amount is based on anticipated requests for reimbursement under the DFAA plus an estimated amount to cover unforeseen disasters..
- USAR: The unspent amount of \$3.75M has been carried forward to FY 03-04.
- CBRN First Responders: Supplementary funding of \$5M was received in addition to the \$1.5M carried forward from FY 01-02; however due to late approval of several projects in FY 02-03, \$2M unspent amount has been carried forward to FY 03-04.

More information on OCIPEP can be obtained at:

<http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.ocipep.gc.ca/index.asp>

## Office of the Judge Advocate General

### Mandate and Accountability

The mandate of the Judge Advocate General (JAG) is set out in the National Defence Act. JAG acts as legal adviser to the Governor General, the Minister, the Department and the Canadian Forces in matters relating to military law. The JAG also has the superintendence of the administration of military justice in the CF. The JAG reports annually to the Minister on the administration of military justice in the Canadian Forces, which is tabled in Parliament.

### Partners

Partners include the principal clients with whom the JAG has negotiated 31 Service Level Agreements (SLAs). In addition, the JAG works regularly with the Canadian Bar Association, [Department of Foreign Affairs and International Trade](#), Department of Justice, emergency preparedness agencies, humanitarian relief organizations, International Committee of the Red Cross, -[International Criminal Tribunal Yugoslavia](#), -[International Criminal Tribunal Rwanda](#), key UN organizations, the [National Committee on Humanitarian Law](#), and provincial governments.

## **Risks and Challenges**

The changing international security environment and the new CF initiatives have created new demands and increased established demands for legal services. To address these risks and challenges JAG must respond effectively to operational requirements for legal advice, in both international and domestic operations; administer and supervise the implementation of a reinvigorated grievance process; and meet an increasing client demand for legal services in several areas, especially the area of military justice.

## **Results**

### **In fiscal year 2002-03 JAG achieved the following:**

- all courts martial and related activity were completed in a timely manner;
- deployed a record 28 legal officers for a total of 2,887 days on operations; and,
- overall, delivered 10 percent more high quality legal services than in the previous year and at less cost to Canadians.

### **In terms of safeguarding Canadian interests and values, JAG:**

- ensured that DND/CF legal interests were represented in the negotiation of the revised North American Defence Architecture and during the Convention on Certain Conventional Weapons (CCW 2002);
- ensured that CF aircraft are fully exercising their rights respecting state aircraft immunity from air navigation fees under international law when deployed abroad.; and,
- worked to resolve outstanding NATO Status of Forces Agreement issues, ensuring the CF is compliant with all NATO obligations.

### **To improve and promote public confidence in the Military Justice System, JAG:**

- published the "Guide to the Accused & Assisting Officers" in pamphlet form to improve the understanding of assisting officers and accused persons on their right to provision of case/charge information;
- conducted 46 Summary Trial Certification Training courses and trained 617 presiding officers and 178 NCMS;
- published a handbook on the elements of Code of Service Discipline offences as a resource for military justice practitioners;
- produced and published a pamphlet to educate all CF on the "Investigation and Charging Process";
- conducted Director Military Prosecutions legal education workshop for Regular and Reserve Force prosecutors to improve timeliness and proficiency.; and,
- conducted a military justice compliance survey which confirmed compliance with regulatory requirements of the Military Justice System.

### **The JAG has made efforts through innovative management initiatives to promote confidence in DND and CF and the Office of the JAG. For example in fiscal year 2002-03:**

- installed PKI Entrust smart card readers on all workstations to enable electronic processing and transmission of solicitor/client privilege information;
- used deployment kits (War Packs ) acquired from the US Air Force were used by JAG legal officers on field assignments;
- the new Director General Canadian Forces Grievance Authority, in operation for only three months, began to reduce the grievance backlog, constructed a unified national grievance system and is helping users to work within that system by providing training and producing work instruments; and,
- performance improved by almost eight percent in those dealing with military justice reform, ensuring that military activities conform to the rule of law and improving the core competencies of CF lawyers.

## Resources

	2000-01	2001-02	2002-03	
	Actual	Actual	Planned	Actual
Vote 1 - Personnel & Operating	\$5,676	7,462	\$8,044	\$7,030
Vote 5 - Capital (1)(2)	521	448	\$333	\$264
<b>Total</b>	<b>\$6,197</b>	<b>\$7,910</b>	<b>\$8,377</b>	<b>\$7,294</b>

*Source: Judge Advocate General*

*Note: The amounts above do not include the following budget transfers;*

- 1. In FY 2000-01 \$63.7K was transferred to the VCDS for JAG accommodation expenses that the Vice's shop had originally paid for.*
- 2. In FY 2001-02 \$155K was transferred to ADM HR Mil to pay for Class C Reserve Legal Officers employed by the JAG; and \$78.9K was transferred to the VCDS for JAG accommodation expenses that the VCDS had originally paid for.*
- 3. In FY 2002/03, a budget transfer of \$317K from JAG to ADM HR Mil for Class C Reserve Legal Officers employed by the JAG.*

More information on the Office of the JAG can be obtained at:

<http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.forces.gc.ca/jag/>.

## Office of the Ombudsman for National Defence and the Canadian Forces

### Mandate and Accountability

The Office of the Ombudsman for National Defence and the Canadian Forces investigates complaints and serves as a neutral third party on matters related to the DND and the CF. Acting independently of the chain of command and civilian managers, the Ombudsman reports directly to the Minister of National Defence.

The Office is a direct source of information, referral and education for the men and women of DND and the CF. Its role is to help individuals access existing channels of assistance or redress and to investigate and report publicly on matters affecting the welfare of members of the DND/CF community. In the Office's fifth [Annual Report \(2002-03\)](#), the Ombudsman noted that the Office has become not only "the key broker for the fair treatment of individuals within DND/CF" but also "a unique and indispensable spearhead for change and institutional improvement."

### Partners

The NSP provides response and prevention services directly to the public. To accomplish this, the NSS works in partnership with international, federal, provincial, and territorial clients and stakeholders to continue to develop, maintain, and deliver a seamless SAR system. Members of six federal departments and agencies are responsible for SAR operational program delivery. These include:

- [Environment Canada](#)/Meteorological Service of Canada
- [Department of Fisheries and Oceans](#)/Canadian Coast Guard;
- [Department of National Defence/Canadian Forces](#);
- [Parks Canada](#);
- [Royal Canadian Mounted Police](#); and,
- [Transport Canada](#)



## Risks and Challenges

The Office continues to improve how it provides services to its constituents. The challenge is to maintain the focus on the well being of members of the defence community and on sustaining the department's commitment to ethical values and practices. Heightened global tensions and increased security awareness also pose challenges to the Office's efforts to improve communications with stakeholders through web-based technologies.

## Results

A follow-up report was released in December 2002 on the implementation of the 31 recommendations made in this systemic report on the treatment of CF members suffering from operational stress injuries. Although, progress was noted, there remains considerable work to be done on culture change, education and to meet increasing challenges posed by resource shortages and heavy workloads. A [report](#) released in March 2003 demonstrated that much work remains to be done in promoting cultural change at the unit level. The report also recommended the adoption of a protocol to ensure thorough and fair internal military investigations into complaints about the treatment of those who suffer from operational stress injuries in the CF.

In another public [report](#) released in December 2002, it was found that DND/CF unfairly demanded CF members repay amounts that had been overpaid to them in the administration of the Forces Reduction Plan in the 1990s. The Ombudsman called on the Minister to take steps to obtain Treasury Board approval to reimburse those affected.

At the end of the 2002-03, the Office launched a major systemic investigation in response to over 60 complaints received from CF members and their families about how the CF has dealt with members who may have been exposed to environmental hazards during operational tours. The Special Ombudsman Response Team, which specializes in major investigations of systemic issues, will be investigating how the CF treats members who are deployed to a theatre of operations fit and healthy, but who begin showing symptoms of illness during deployment or soon after their return to Canada. The Office will be examining best practices from militaries in other countries and took the unique step of issuing a call for submissions of views, ideas and suggestions.

<b>Complainants by Category</b>			
	<b>2000-01</b>	<b>2001-02*</b>	<b>2002-03*</b>
CF regular force members	546	751	831
Former CF members	313	272	298
CF reserve force members	150	167	192
Family members	102	91	99
Non-constituents	100	57	88
DND Employees	56	46	54
Applicants to the CF	N/A**	N/A**	36
Anonymous	50	25	24
Former DND Employees	17	11	12
Cadets	4	12	9
Non Public Fund Employees	0	1	3
<b>Total</b>	<b>1338</b>	<b>1433</b>	<b>1646</b>
<i>Source: Office of the Ombudsman Note: * Figures are revised from those reported in previous years as result of changes to the Office's database.</i>			

*\*\* Data not tracked, as applicants to CF were added as constituents to the Office of the Ombudsman as a result of revisions to the mandate in September 2001.*

*During the 2002-03, the Office received 1,646 new complaints and closed 2,135 cases. The most common complaint received was in the area of benefits, followed by complaints about release from the CF, recruiting, postings and harassment. Complaints were received from the following groups:*

## Resources

Financial (\$000's) and FTEs by Fiscal Year				
	2000-01	2001-02	2002-03	
	Actual	Actual	Planned	Actual
Vote 1 - Salary and Personnel	\$1,635	\$2,838	\$3,467	3,126
Vote 1 - Operations and Maintenance	\$1,859	2,229	1,812	1,795
Vote 5 - Capital	17	Note 1	279	228
<b>Total</b>	<b>\$3,511</b>	<b>\$5,067</b>	<b>5,558</b>	<b>5,149</b>
<b>Human Resources (FTEs)</b>	<b>46</b>	<b>53</b>	<b>65</b>	<b>55</b>

*Source: Office of the Ombudsman*  
*Notes 1:*  
*Funding for the capital expenditures related to the Office's move in 2001-02 were provided by the Assistant Deputy Minister (Finance and Corporate Services)*

More information on the DND/CF Ombudsman can be obtained at:

<http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.ombudsman.forces.gc.ca/>

## The Reserve Force

The Reserve Force is an essential component within the CF's mobilization-planning doctrine, providing the additional depth and breadth needed to achieve the capabilities required in each stage of mobilization. The primary role of the Reserve Force is to augment, sustain, and support deployed forces and, in some cases, perform tasks that are not performed by Regular Force members. Within the Total Force structure of the CF, both the Regular and Reserve Forces support the ongoing peacetime tasks and activities of the CF.

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

- the Primary Reserve;
- the Supplementary Reserve;
- [the Cadet Instructors Cadre](#); and,
- [the Canadian Rangers](#)

## Primary Reserve

The Primary Reserve is made up of the Naval Reserve, the Army Reserve, the Air Reserve, the Communication Reserve, the Health Services Reserve, and the National Defence Headquarters Primary Reserve List. Members of the Primary

Reserve frequently serve on operations, and about 15 percent of the CF personnel deployed overseas during fiscal year 2002-03 were Reservists. The following chart illustrates planned vs. actual intake of recruits.

## Naval Reserve

[The Naval Reserve](#) mission is to provide the Navy with trained personnel to staff combat and support roles to meet Canada's naval defence objectives in peace, crisis, and war. Naval reservists are responsible for the manning of [Maritime Coastal Defence](#) Vessels (MCDVs), naval control of shipping elements, and port security and port inspection diving units. Of all the Reserve sub-components, only the Naval Reserve is mandated to perform a full-time operational role through the manning of MCDVs.

With strength of 3,796 personnel, they maintain a [naval presence](#) throughout Canada in 24 Naval Reserve Divisions and through the Canadian Forces Fleet School Quebec, the Naval Reserve Headquarters in Quebec City and Recruit Training Center in Borden, Ontario.

The number of authorized positions is 5,130 and efforts are underway to improve recruiting and reduce attrition rates. The demand for full time Naval Reservists is also increasing. During the summer training period, a high of 2,591 full time naval reservists were employed. Also, 250 naval reservists were deployed during Operation APOLLO in support of security operations.

## Army Reserve

The Army Reserve provides the capability to supply forces for the Army and national level units. The fundamental roles of the Army Reserve are to provide a framework for mobilization and to serve as a continuous link between the military and civilian communities. The [10 Canadian Brigade Groups](#) of the Army Reserve are located across the country.. They have an effective strength of approximately 15,500 soldiers who work as part of some 135 units in 115 locations.

Recruiting, training, and retention of personnel remain the greatest challenges facing the Army Reserve. Army Reservists continue to provide individual augmentation to operations, with most of the Army Reserve personnel overseas supporting Operation PALLADIUM (approximately 300 at any one time).

The Army Reserve made progress this year through Phase I of the Land Force Reserve Restructure (LFRR) project, aimed at stabilizing the Reserve program. Phase I, which concluded at the end of 2002-2003, met its objectives successfully. This included the introduction and implementation of a streamlined recruiting and increasing the number of personnel and meeting the target of 15,000 Army Reservists.

Phase II scheduled to commence in 2003-04, will see an increase in the number of Army Reservists toward a paid strength goal of approximately 18,500. There will also be a continued emphasis on sustaining current capabilities as well as developing new capabilities such as Civilian Military Cooperation (CIMIC), CBRN defence, information operations and geomatics.

## Air Reserve

The [Air Reserve](#) provides support to the Air Force in ongoing peacetime tasks and to deployed operations. With personnel strength of 2,375 (which represents a seven percent increase from fiscal year 2001-2002), the Air Reserve is located in 25 locations across Canada. During the past year, the Air Reserve deployed 106 personnel on operations and also provided backfill for deployed Regular Force personnel.

## Communication Reserve

The [Communication Reserves](#) provides the Canadian Forces with combat-capable forces to manage information technology. The role of the Communication Reserve is to contribute to generating combat-capable Communication Information System and Information Operation Elements in support of CF operations at home and abroad.

The effective strength of the Communication Reserve remains at about 1,800 personnel, located at [23 units](#) across Canada. They continue to provide personnel support to international operations, with approximately 138 personnel deployed during the past year. A significant number also augmented Regular Force units. Communication Reservists' availability to fill full-time employment opportunities provides a valuable service to the undermanned communications and electronics trades of the Regular Force. However, at augmentation/replacement levels of 25 percent or more, difficulties arise at the unit level where there are fewer experienced people available to meet unit training requirements and tasks.

Plans to expand the Communication Reserve Information Protection Teams (CRIPTS) initiative was implemented this fiscal year. The CRIPTS helped increase Communication Reserve support to the Canadian Forces Information Operations Group in their information protection role. The Communications Reserve moved its national recruit training school to CFB Shilo where summer training was conducted successfully and plans to expand the use of this facility are underway for 2003-04.

## Health Services Reserve

The Reserve element of the Canadian Forces Medical Group is currently organized into 14 Army Reserve Medical Companies consisting of 1,100 personnel. A further 205 are found in Army Reserve non-medical units; approximately 50 personnel are in Air Reserve Flights or clinics supporting the Air Force, while an additional 80 personnel are located on the National Defence Headquarters/Canadian Forces Health Services Primary Reserve List. With this establishment, the Health Services Reserve provides health services support to joint operations and other organizations as required.

In order to ensure the delivery of quality health care to the CF, the Health Services Reserve has initiated a series of changes to the way it trains and maintains the clinical skills of its personnel. This includes the level of emergency care at point of injury and receiving national recognition from the Paramedic Association of Canada. To maintain the clinical skills of all health services occupations, the Maintenance of Clinical Skills Program has been implemented and will be routinely updated.

## Resources

As with our [NATO](#) allies, Canada has recognized the importance of the Reserve Force. As the cost of training militaries and paying a regular force increase, Reserves prove to be a cost-effective method of meeting Canada's defence needs.

The planned and actual strength of the Primary Reserves for the last three FYs is reflected in the table below.

<b>Reserve Force</b>						
	2000-01		2001-02		2002-03	
	<b>Planned</b>	<b>Actual</b>	<b>Planned</b>	<b>Actual</b>	<b>Planned</b>	<b>Actual</b>
Primary Reserves	25,653	22,684	25,060	24,114	26,086	24,597
CIC	6,000	6,180	6,000	4,503	6,000	5,500
Canadian Rangers	3,575	3,488	3,810	3,872	4,005	4,024
Supp Reservists	n/a	56,931	n/a	57,212	35,000*	57,000

*Source: Vice-Chief of the Defence Staff (VCDS)*  
*\*Note: project strength following completion of Restructure Project*

<b>Financial (\$000's) and FTEs by Fiscal Year</b>			
	<b>2001-02</b>	<b>2002-03</b>	
	<b>Actual</b>	<b>Planned</b>	<b>Actual</b>
Reserve Pay	\$341,708	\$350,369	\$363,047
Regular Support Staff	\$111,807	97,598	111,718
Reserve Operation	58,729	59,285	65,518
<b>Subtotal: Direct</b>	<b>\$512,244</b>	<b>507,252</b>	<b>540,283</b>
Ammunition	\$19,652	\$21,214	30,196
Equipment Usage	\$63,235	67,996	74,218
Clothing	22,988	19,358	10,487
Facility Operating	37,405	35,774	32,619
<b>Subtotal: Indirect</b>	<b>\$143,280</b>	<b>144,342</b>	<b>147,520</b>
Base Support	122,067	88,324	143,513
Training	7,311	5,994	6,908
<b>Subtotal: Attributed</b>	<b>\$129,378</b>	<b>94,318</b>	<b>150,421</b>
Subtotal: Primary Reserve Operating	\$784,902	745,912	838,224
Dedicated Capital	6,595	10,650	14,327
Shared Capital	47,049	76,625	45,701
<b>Subtotal: Capital</b>	<b>\$53,644</b>	<b>87,276</b>	<b>60,028</b>
<b>Total</b>	<b>838,546</b>	<b>\$833,188</b>	<b>989,251</b>

*Source: Assistant Deputy Minister (Finance and Corporate Service)*

Traditionally, the Primary Reserve Force has served to augment the Regular Force and serve as a surge capacity when required. Deploying commanders are authorized to augment peacekeeping and international operations with up to 20 percent of the deployed force consisting of Primary Reservists, with the current contribution at approximately 15 percent. While the level of integration differs between environments, there is potential for both complimentary and stand-alone Reserve-specific capabilities. There are a number of new Army Reserve capabilities that have been developed and have been progressing to the trial stage of the Combat Development process. Civil-Military Co-operation has the potential to be used for both deployed and domestic operations. A trial Movement Control Platoon has been instrumental in aiding the deployment of Canadian Forces (CF) equipment and personnel to both Operation APOLLO and Operation PALLADIUM as well as for numerous domestic exercises and activities. An enhanced Reserve Public Affairs presence in all Land Force Areas has served to improve the ability of commanders to increase the public visibility of the Army Reserve and to communicate internal messages. Significant progress has also been made in assessing the viability of other capabilities, such as Psychological Operations, CBRN response, and Heavy Urban Rescue.

To address the lack of a role 3 capability in the Health Services Reserves (HS Res), the CF has established a pool of already highly qualified medical professionals to address the existing augmentation shortages in the role 3 capability of the Regular Force and ensure the development of a future HS Res capability. The HS Primary Reserve List (PRL) has proven to be a viable alternative for attracting clinicians. Members are funded for 14 days minimal annual parade attendance commitment, and are offered training and employment opportunities while the CF are responsible for the development and the maintenance of military knowledge and skills. The end-state target (2005) for the HS Primary Reserve List is 330

positions, which will ensure the capability to staff an Advanced Surgical Center to meet mobilization requirements for all elements.

Other human resource initiatives include: development of Reserve Pension Plan (implementation date of 2005), retention initiatives, compensation and benefits, and access to CF Personnel Support Programs and facilities.

## **Supplementary Reserve**

The Supplemental Reserve is composed of former Regular Force and Reserve members who are no longer actively involved in the CF, but could be called upon in an emergency. Members do not perform regular duties, but have agreed to report for service should they be needed to augment the CF. When members are called out, they are usually attached to the Regular Force or Reserve Force for the agreed period, upon completion of which they return to the Supplemental Reserve.

The strength of the Supplementary Reserve currently stands at about 57,000 in all ranks. In order to make it a more effective resource for the CF, the list is being pared down to approximately 35,000 and will consist of only those who are deemed current and qualified in their trade, medically fit and available for service. Members will remain on the Supplemental Reserve for a specified period based on currency of qualifications and potential for service.

## **Cadet Instructor's Cadre**

The [Cadet Instructors Cadre](#) (CIC) consists of about 5,500 officers from all three environments who have undertaken to perform such military duty and training as may be required of them, but whose primary duty is the supervision, administration and training of Sea, Army and Air Cadets. Training development efforts related to the CIC included updates to some of the Qualification Standards and Plans such as: the development of training that will support the relatively new Adventure Training portion of the Army Cadet Program.

The CIC Military Occupational Structure Change Management Project continued and now is in the latter stages of the implementation (Phase 3), with submission of the Occupational Structure Implementation Plan due in the winter of 2004.

## **Canadian Rangers**

The role of the [Canadian Rangers](#) is to provide a military presence in sparsely settled, northern, coastal and isolated areas of Canada, which cannot conveniently or economically be covered by other elements of the CF. The Canadian Rangers have been employed in a variety of roles during the past year related to domestic operations. Sovereignty patrols are one of the critical services they provide to the CF. The growth continues with an increase in personnel strength from 3,872 to 4,024, and in the number of patrols from 159 to 164. They also continue to serve as the instructors and facilitators for the Junior Canadian Ranger Program in their community.

This past year marked the 60th year of service by the Canadian Rangers
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The CANRAN 2000 report examined the role of the Canadian Rangers and the Canadian Junior Rangers in support of CF operations and Government of Canada priorities: Of the 49 final recommendations, 30 have been completed, 15 are ongoing and four have been determined to be redundant. Given that the study was conducted prior to the events of September 11th, 2001, its recommendations must be reviewed to determine if they remain relevant in the evolving security environment. This review, to be conducted over 2003-04, will be critical to determine future roles, tasks and missions of the Canadian Rangers, their expansion and location of patrols.

## **Canadian Forces Liaison Council**

The [Canadian Forces Liaison Council](#) (CFLC) is responsible for operating the Reserve Force Employer Support Program. The purpose of the program is to solicit employer support to enhance the availability of Reserve personnel for training and operations, without penalty to the reservists.

During fiscal year 2002-03, CFLC's reached out to employers mainly through its ExecuTrek program, which included 38 events and the participation of 800 employers. The CFLC also held a number of outreach activities targeted to both employers and Reservists and reserve units alike.

In the past year, the CFLC also developed a five-year Strategic Plan.

The Internet has also proven to be a very effective means of reaching both employers and reservists, with an increase of activity on their web page growing by over 200 percent. The number of supportive employers also increased with 436 new names added. Of that number, 152 (35 percent) indicated that they would offer leave without pay, 172 (39 percent) leave with pay, 209 (48 percent) additional leave for courses, and 156 (35 percent) leave of up to 12 months for participation in operations.

## Youth Programs

### Canadian Cadet Program

The [Canadian Cadet Program](#) is a federally-sponsored national youth training program and is conducted in partnership between the DND and the Canadian Forces and the [Navy League](#), [Army Cadet League](#) and [Air Cadet League](#). The Program's objectives are to develop good citizenship and leadership in young men and women, promote physical fitness and stimulate interest in the sea, land and air activities of the CF.

The Leagues recruit cadets, organize accommodations, fund raise and provide local sponsors for each corps or squadron. The CF provides personnel, uniforms, some infrastructures, as well as other support such as transportation.

Cadets attend one of the 27 Cadet Summer Training Centres located across the country and benefit from local training within the community from September to June. Participation and training data are indicated in the table.

Training	Details	Cadets	Training Days
Headquarters	1,134 Units	54,023	1,355,432
Summer Training	27 Training Centres	22,111	541,382

*Source: Vice-Chief of the Defence Staff*

Numerous national activities were conducted and involved the following number of cadets: [Sea Cadets](#) (402), [Army Cadets](#) (350), [Air Cadets](#) (265).

Activities were also conducted that involved cadets from the three services. Such activities included the Cadet Marksmanship Program, the Cadet National Marksmanship Championship, the Cadet Biathlon Program, the Cadet National Biathlon Championship, the Shooting Federation of Canada Grand Prix Air Rifle Championship, and the National Coaching Certification Program and officials training.

There were also continued developments in the Cadet Training Programs; the Cadet Program Update, Cadet Harassment and Abuse Prevention Program, and conflict resolution. Other on-going projects include the modernization of cadet clothing, materiel management, and infrastructure improvements.

### Junior Canadian Rangers Program

The objective of the [Junior Canadian Ranger \(JCR\) Program](#) is to provide a structured youth program, which promotes traditional cultures and lifestyles in remote and isolated communities. It is similar to the cadet program in that it promotes good citizenship and leadership in young men and women and healthy lifestyle and physical fitness, but it also includes the development of traditional and Canadian Ranger skills.

The [Junior Canadian Ranger \(JCR\) Program](#) is conducted in partnership with local and regional committees of adult community members. The CF provides personnel from local areas to serve as leaders, facilitators, supervisors and program developers and; also validate training regularly during visits and field exercises. The CF also provides financial and administrative support to the Program. The Department also encourages and co-operates with local, regional, provincial or territorial and federal agencies to the fullest extent possible. Active solicitation of resource contributions by other government departments continues.

A JCR patrol will be established if a [Canadian Ranger Patrol](#) is present, a cadet unit does not exist in the community, and if there is significant community support.

In 2002-03, over 2,600 JCRs benefited from training within the community at the local patrol level. The local training is conducted from September to June, under the supervision of Canadian Ranger Patrol Groups. Each patrol will conduct an average of 23 days training in the community and up to 7 days on the land. During the summer of 2002, 355 JCRs were selected to attend one of the four Advanced Summer Training Sessions. Participation and training data are provided in the table to the right. Ten JCR patrols have been stood up since April 2002, and 423 JCRs have joined the organization during the past year. Communities continue to attest to the positive impact of the program on their youth and confidence in the program is high.

Training	Details	JCRs	Training Days
Headquarters	95 JCR Patrols	2,693	78,097 patrol days
Summer Training	4 community sites	355	3,834 days

*Source: Vice-Chief of the Defence Staff*

During fiscal year 2002-03, the following initiatives were continued or commenced: CANRAN 2000, Preventing Harassment and Abuse through Successful Education, Enhanced Training Activities/Advanced Summer Training Sessions, partnership development, and adult leadership training.

## Resources

Financial (\$000's) and FTEs by Fiscal Year				
	2000-01	2001-02	2002-03	
	Actual	Actual	Planned	Actual
Vote 1 - Personnel	84,222	84,317	95,800	95,868
Vote 1 - Operating	70,377	68,440	67,851	67,678
<b>Total</b>	<b>\$154,599</b>	<b>\$152,757</b>	<b>163,651</b>	<b>163,546</b>
Vote 5 - Capital	1,913	3,236	3,188	3,189
Vote 10 - Grants	750	750	750	750
<b>Total</b>	<b>(1) \$157,262</b>	<b>(2)156,743</b>	<b>\$167,589</b>	<b>167,485</b>

*Source: Vice-Chief of the Defence Staff*

Notes:  
 (1) Includes \$24.6 million for Youth Initiatives  
 (1) Includes \$17.8 M added in Cadet Program reference level funding in FY 01-02 from Youth Initiatives, and \$2.0M Investment Opportunity funding in Capital  
 (2) Includes Investment Opportunity funding in the amount of 3.1M (2,176K in O&M and 923.8K in capital)

Financial (\$000's) and FTEs by Fiscal Year				
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	2000-01	2001-02	2002-03	
	Actual	Actual	Planned	Actual
Vote 1 - Personnel	\$2,201	\$1,953	\$2,659	\$2,441
Vote 1 - Operating	\$2,542	\$3,076	\$2,076	\$2,909
Vote 5 - Capital	\$327	\$293	\$328	\$318
<b>Total</b>	<b>\$5,070</b>	<b>\$5,322</b>	<b>\$5,063</b>	<b>\$5,668*</b>

Source: Vice-Chief of the Defence Staff

Notes:

Source of resources as follows: Department of National Defence (\$960,000), Human Resource Development Canada (\$300,000), Youth Initiatives (\$2,400,000), and CANRAN 2000 (\$2,008,100).

## PART V: CONSOLIDATED REPORTING

### Alternative Service Delivery Initiatives

Performance information on ASD initiatives is available on the internet at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/asd\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/asd_e.asp). Additional on-going ASD initiatives are available on the internet at: [http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/otherasd\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/otherasd_e.asp).

### Procurement and Contracting

Performance information on procurement and contracting is available on the internet at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/pc\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/pc_e.asp), including Procurement Strategy For Aboriginal Business.

### Materiel Management

Performance information on materiel management is available -on the internet line at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/matmang\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/matmang_e.asp), including the Materiel Acquisition and Support Optimization Project (MASOP).

### Sustainable Development Strategy

National Defence's SDS is entitled [Environmentally Sustainable Defence Activities December 2000](#). This document commits to 21 targets that measure our progress toward sustainability using environmental indicators. Of which, 10 percent of the targets have been exceeded, 28 percent will be met as planned, and a further 19 percent should be met if increased effort is brought to bear. The remaining 43 percent (9 targets) are proving problematic for various reasons. Analysis by the responsible parties of the factors resulting in unsatisfactory progress in nine target areas as of this mid-point in the SDS 2000 implementation cycle should result in corrective action during the last year of the cycle. Details on performance for the individual targets are available on the internet at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/rsdst\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/rsdst_e.asp).

## Status of Fuel-Storage Tanks on DND-Land

**Annual Report** for April 30, 2003: As required under the *Canadian Environmental Protection Act (CEPA), Registration of Storage Tank Systems for Petroleum Products and Allied Petroleum Products on Federal Lands and Aboriginal Lands Regulations*, this report provides the information set out in Schedule II of the aforementioned regulation, updated to December 31, 2002.

**Above ground storage tank systems:** Are registered with DND: 895 (DND owned 856, non-DND 39). DND owned systems that comply with the Federal Aboveground Storage Tank Technical Guidelines: 388 or 45.3 percent. DND owned systems that do not comply with the Federal Aboveground Storage Tank Technical Guidelines: 468 or 54.7 percent.

**Underground storage tank systems:** Are registered with DND: 1,005 (DND owned 215, non-DND 790). DND owned systems that comply with the Federal Underground Storage Tank Technical Guidelines: 136 or 63.3 percent. DND owned systems that do not comply with the Federal Underground Storage Tank Technical Guidelines: 79 or 36.7 percent.

DND continues to review tank data in an effort to support plans aimed at establishing an integrated fuel storage tank program designed to manage tank systems in an environmentally responsible manner, while meeting mission requirements of the CF.

## Part VI: Financial and Human Resource Reporting

### Resource Overview for Fiscal Year 2002-2003

### Financial Tables

Tables: [1: Financial Requirements](#)  
[2: Comparison of Spending](#)  
[3: Historical Comparison of Spending](#)  
[4: Revenues](#)  
[5: Statutory Payments](#)  
[6: Transfer Payments](#)  
[7: Contingent Liabilities](#)  
[8: External Charging Information](#)

**Table 1: Financial Requirements By Authority (\$ millions)**

Vote	Defence Services Program	2002-2003		
		Main Estimates	Total Authorities	Actual
1	Operating Expenditures	8,340.1	9,394.6	9,319.7
5	Capital Expenditures	2,191.4	1,939.4	1,914.3
10	Grants and Contributions	353.9	363.0	159.4
(S)	Minister of National Defence - Salary and motor car allowance	0.1	0.1	0.1

(S)	Pensions and annuities paid to civilians	0.1	0.1	0.1
(S)	Military pensions	762.7	792.5	792.5
(S)	Contributions to employee benefit plans	185.7	213.0	213.0
(S)	Spending of proceeds from the disposal of Crown assets	-	16.5	16.3
(S)	Collection Agency Fees	-	-	-
	Collection Agency Fees	11,834.0	12,719.3	12,415.4

Source: Assistant Deputy Minister (Finance and Corporate Services)

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

This table explains the way Parliament votes resources to National Defence in a standardized fashion. It also reflects the changes made throughout the fiscal year to the funding levels via supplementary estimates, allotments from the [Treasury Board](#) and reallocations resulting from changing priorities and operational pressures.

National Defence began the fiscal year with \$11,834 million as provided by the Main Estimates. The Department received a further \$885.4 million during the year broken down as follows:

- \$270.0 million announced in the [February 2003 federal budget](#) for Operation Apollo in Afghanistan and urgent capital and other requirements;
- \$208.3 million for wage increases and other compensation related items for military and civilian personnel;
- \$185.6 million carried forward from 2001-02 to 2002-03 including \$93 million to reimburse National Defence for the cost of acquiring two Challenger aircraft;
- \$57.1 million for employee benefit plans;
- \$54.2 million for Public Security and Anti-Terrorism initiatives announced in [Budget 2001](#) ;
- \$42.6 million for security services provided in support of the [G8 Summit](#) ;
- \$16.5 million in proceeds from the disposal of surplus crown assets;
- \$15 million in proceeds from the disposal of real property; and,
- \$36 million in other technical adjustments and transfers.

Total spending authority, by Vote, was not fully utilized. For example: Vote 1 Operating Budgets will carry forward \$37.5 million from 2002-03 to 2003-04 and will lapse \$37.4M to pay for employee benefit plans; Vote 5 Capital will carry forward \$25.1 million due to a small portion of the program moving from 2002-03 to 2003-04; and Vote 10 Grants and Contributions substantially under spent the total authority due to \$195.2 million less in payments for Disaster Financial Assistance Arrangements than originally forecast and a carry forward of \$8.4M. However, spending for the Research Fellowships - Emergency Planning within Vote 10 exceeded the individual authority for that grant by \$105 thousand.

**Table 2: Comparison of Planned to Actual Spending in 2002-03 by Capability Program (\$millions)**

Capability Program		FETs	Operating	Capital	Grants And Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Expenditures
Command and Control	-Planned	7,005	973.8	416.4		1,390.2	6.5	1,383.7
	-Total Authorities	-	1,066.8	368.6		1,435.4	5.4	1,429.9
	-Actual	19,135	3,201.6	689.1	8.0	3,898.7	3.2	3,895.5



	-Actual							(16.3)
Non-responsible Revenues	-Planned							(5.6)
	-Total Authorities							(5.6)
	-Actual							(9.4)
Costs of Services Provided by Other Departments	-Planned							389.3
	-Total Authorities							442.0
	-Actual							455.8
<b>Net Cost of Program</b>	<b>-Planned</b>							<b>12,218.5</b>
	<b>-Total Authorities</b>							<b>13,139.2</b>
	<b>-Actual</b>							<b>12,845.6</b>

Sources: Assistant Deputy Minister (Finance and Corporate Services), Assistant Deputy Minister (Human Resources - Military) and Assistant Deputy Minister (Human Resources Civilian). Note: Due to rounding, figures may not add up to totals shown.

## Table 2 (continued)

Note: The distribution of Planned Spending by Capability Program has been restated from the Report on Plans and Priorities for 2002-03 to reflect improved reporting for Capital expenditures and Responsible Revenue and the assignment of new units to the reporting structure. The original distribution was as follows:

2002-03 Planned Spending as per the 2002-03 RPP	Operating	Capital	Grants And Contributions	Total Gross Expenditures	Less: Responsible Revenues	Total Net Expenditures
Command and Control	1,148.6	257.2	0.0	1,405.8	(53.1)	1,352.6
Command and Control	1,148.6	257.2	0.0	1,405.8	(53.1)	1,352.6
Conduct Operations	2,935.5	1,029.3	203.4	4,168.2	(159.4)	4,008.8
Sustain Forces	3,993.7	107.2	20.6	4,121.4	(212.6)	3,908.8
Generate Forces	1,449.3	562.0	6.1	2,017.5	(53.1)	1,964.3
Corporate Policy & Strategy	230.3	235.8	139.0	605.0	(4.8)	600.2

<b>Totals</b>	<b>9,757.5</b>	<b>2,191.4</b>	<b>369.0</b>	<b>12,317.9</b>	<b>(483.1)</b>	<b>11,834.8</b>
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**Table 3: Historical Comparison of Planned Spending to Actual Spending by Capability Program (\$ millions)**

Capability Program	Actual 2000-01*	Actual 2001-02*	2002-2003		
			Total Planned Spending	Total Authorities	Total Actual Spending*
Command and Control	1,523.5	1,674.9	1,383.7	1,429.9	1,445.1
Conduct Operations	4,211.2	4,394.2	3,864.1	4,148.4	3,895.5
Sustain Forces	3,958.0	4,232.7	4,534.6	4,917.4	4,833.6
Generate Forces	1,391.0	1,486.1	1,599.8	1,735.2	1,740.2
Corporate Policy & Strategy	386.3	455.6	452.6	488.4	501.0
<b>Total</b>	<b>11,470.0</b>	<b>12,243.5</b>	<b>11,834.8</b>	<b>12,719.3</b>	<b>12,415.4</b>

*Soruce: Assistant Deput Minister (Finance and Corporate Services).*

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

*\* Includes spending of proceeds from the sale of surplus crown assets.*

**Table 4: Revenues by Capability Program (\$ millions)**

Respendable Revenues	Actual 2000-01	Actual 2001-02	2002-2003		
			Planned Revenues	Total Authorities	Actual
Command and Control	4.4	21.2	6.5	5.4	4.9
Conduct Operations	6.0	8.8	17.2	2.8	3.2
Sustain Forces	376.3	432.1	220.6	225.7	205.6
Generate Forces	11.1	16.6	227.7	241.5	265.5
Corporate Policy & Strategy	8.7	8.1	11.1	8.6	4.9
<b>Total Respendable Revenues</b>	<b>406</b>	<b>486.8</b>	<b>483.1</b>	<b>483.9</b>	<b>484.2</b>
<b>Non-Respendable Revenues</b>					
Corporate Policy & Strategy	61.9	36.4	5.6	5.6	9.4
<b>Total Non-Respendable Revenues</b>	<b>61.9</b>	<b>36.4</b>	<b>5.6</b>	<b>5.6</b>	<b>9.4</b>
<b>Total Revenues</b>	<b>468.4</b>	<b>523.2</b>	<b>488.7</b>	<b>489.5</b>	<b>493.6</b>

*Soruce: Assistant Deput Minister (Finance and Corporate Services).*

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

The distribution of revenue by Capability Program has been restated from the [Report on Plans and Priorities for 2002-03](#) to reflect an improved allocation methodology. The original distribution was as follows:

2002-03 Planned Revenue as per the 2002-03 RPP	Revenues
Command and Control	53.1
Conduct Operations	159.4
Sustain Forces	212.6
Generate Forces	53.1
Corporate Policy & Strategy	4.8
<b>Totals</b>	<b>483.1</b>

*Source: Assistant Deputy Minister (Finance and Corporate Services)*

**Table 5: Statutory Payments by Capability Program (\$millions)\***

Capability Program	Actual 2000-01	Actual 2001-02	2002-2003		
			Total Planned Spending	Total Authorities	Total Actual Spending
Command and Control	78.0	81.6	109.4	116.8	116.7
Conduct Operations	239.3	233.0	224.2	240.9	235.0
Sustain Forces	409.6	434.5	394.6	424.9	419.4
Generate Forces	158.7	190.3	191.1	203.3	211.2
Corporate Policy & Strategy	18.1	19.5	29.4	36.3	39.8
<b>Total</b>	<b>903.7</b>	<b>958.9</b>	<b>948.6</b>	<b>1,022.2</b>	<b>1,022.0</b>

*Source: Assistant Deputy Minister (Finance and Corporate Services).*  
*Note: Due to rounding, figures may not add up to totals shown.*  
*\* Statutory Payments include: Minister of National Defence - Salary and motor car allowance, pensions and annuities paid to civilians, contributions to employee benefit plans for the members of the military and civilian employees, spending of proceeds from the disposal of surplus Crown assets, and collection agency fees.*

**Table 6: Transfer Payments by Capability Program (\$ millions)\***

Capability Program	Actual 2000-01	Actual 2001-02	2002-2003		
			Planned Spending	Total Authorities	Actual
GRANTS					
Command and Control	-	-	-	-	-
Conduct Operations	-	-	-	-	-
Sustain Forces	0.1	3.6	0.1	0.1	0.1

Generate Forces	1.1	1.1	1.1	1.1	1.1
Corporate Policy & Strategy	2.8	3.1	3.1	3.1	3.1*
<b>Total Grants</b>	<b>4.0</b>	<b>7.8</b>	<b>4.3</b>	<b>4.3</b>	<b>4.3</b>

#### CONTRIBUTIONS

Command and Control	-	-	-	-	-
Conduct Operations	108.3	-	-	-	-
Sustain Forces	21.9	434.5	394.6	424.9	419.4
Generate Forces	4.8	190.3	191.1	203.3	211.2
Corporate Policy & Strategy	106.4	19.5	29.4	36.3	39.8
<b>Total Contribution</b>	<b>241.4</b>	<b>958.9</b>	<b>948.6</b>	<b>1,022.2</b>	<b>1,022.0</b>
<b>Total Transfer Payments</b>	<b>245.4</b>	<b>325.1</b>	<b>369.0</b>	<b>375.2</b>	<b>171.5</b>

Source: Assistant Deputy Minister (Finance and Corporate Services).

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

\* Actual spending for Research Fellowships - Emergency Planning exceeded the individual authority for that grant by \$105,000. The total for Corporate Policy and Strategy was not exceeded due to a similar reduction in the grant for the [Security and Defence Forum](#).

**Table 7: Contingent Liabilities (\$millions)**

Claims, Pending and Threatened Litigation	2002-2003		
	March 31,2001	March 31,2002	Current as of March 31,2003
Litigation	2,389.5	112.2	47.2
Non-Litigation	44.0	0.3	2.5
<b>Total</b>	<b>2,433.5</b>	<b>112.5</b>	<b>49.6</b>

Source: Assistant Deputy Minister (Finance and Corporate Services).

Note: The large reduction in liabilities between March 31 2001 and March 31 2002 reflects a change in reporting policy for contingent liabilities. From 2002 onwards only those claims for which an estimated settlement value can be calculated are reported. Prior to 2002, claims for which it was not possible to estimate a settlement value were also reported and were recorded at the face value of the claim.

**Table 8: External Charging Information**

Name of Fee Activity	Fee Type	Fee Setting Authority	2002-03 Actual Revenue (\$000)	Estimated Full Cost to provide good or service (\$000)	Consultation and Analysis	Service Standard	Performance Results
Rental of land, buildings, space, works, equip., or	O	FRPA	13,766	Depending on the type of service provided, the	The service is provided and fees set in response to individual	The service standards are as negotiated with the service	Internal Audits may be carried out to assess the accuracy



supplies				recoverable cost may be less than, equal to, or greater than the full cost. There is a full cost associated with every service provided. The purpose of the full cost calculation is to measure, in the broadest accounting sense, the depletion of all resources used by Defence to provide a service (includes incremental costs). (See Note 2)	requests. The framework for Defence managers to provide services to non-defence agencies and to recover costs is contained in DND's Provision of Services Policy, which was brought into effect by ministerial order on 22 Aug. 97. The Policy requires the service recipient to enter into a written agreement with DND, which describes the services to be provided, and the amounts to be charged, or basis of calculation of the charges.	recipient on a case-by-case basis.	and completeness of the recoveries and the Department's compliance with the terms of the agreements entered into with service recipients.
Rentals of works, machinery and equip (Canex operations)	O	MA	22				
Rentals - Married quarters	O	FRPA	84,753				
Utilities - Married quarters	O	MA	3,459				
Rentals - Single quarters	O	FRPA	12,667				
Rentals - Garage and Trailer Space	O	FRPA	725				
Sales of utilities	O	MA	2,571				
Sales of prepared rations	O	MA	20,037				
Sales of Canadian Forces Uniforms and related items	O	MA	1,343				
Petroleum, Oil and Lubricants (PO&L) sales	O	MA	41,105				
Medical and hospital services	O	MA	539				
Inspection services	O	MA	78				
Educational services	O	MA	5,446				
Services from sales to or on behalf of NATO and foreign gov'ts	O	MA	106,138				
Miscellaneous sales of goods & services	O	MA	11,940				

Parking charges for ground vehicles on DND property	O	MA	503			For the Foreign Military Training (FMT) the full cost of Infrastructure and Goods & Services provided in support of the Allied Participants' training programs is recoverable from the Allied Participants. All costs are identified and recovered in accordance with the Department of National Defence policy as contained in the Foreign Military Training Recovery Policy Manual.	
Sale of Natural Gas	O	MA	12				
Other initiatives less than \$100,000	O	MA	18,243				
Sales to United Nations (UN) under Letters of Assistance	O	MA	3,232				
Recovery from USAF of cost-shared North Warning System	O	MA	3,637				
Recoverable services provided to Allies at Foreign Military Training in Canada	O	MA	134,181				
Sale of Food Services to non-public agencies	O	MA	6,010				
Secondment of (military and civilian) personnel	O	MA	436				
<b>Total</b>			<b>470,843</b>				

Source: Assistant Deputy Minister (Finance and Corporate Services)

**LEGEND**

Other Goods and Services O

Federal Real Property Act FRPA

Ministerial Authority to enter into contract MA

**Notes:**

1. Please note that the External charging results in non-tax revenue, whether generated in Canada or abroad, from persons or organizations external to the federal government. IT DOES NOT INCLUDE: charges between departments or agencies; revenues from fines and other penalties; foreign exchange gains (losses); investment income; recoverable contributions; proceeds from the sale of real property and other surplus assets; or refunds of prior year expenditures or of payables at yearend adjustments (PAYE).

2. The following indicates which costs are included in the recoverable cost calculation for each category of service:  
- Act, Regulation or Agreement: cost indicated in the Act, Regulation or Agreement; or full cost plus administrative

charge if Act, Regulation or Agreement is silent;  
 - Surplus Capacity: incremental cost plus administrative charge, plus portion of fixed costs up to whatever the market will pay;  
 - Other Requests: full cost plus administrative charge.

## Human Resource Utilization

Tables: [9. Civilian FTEs](#)  
[10. Military FTEs](#)  
[11. Combined FTEs](#)  
[12. Summary of Civilian FTEs](#)  
[13. Summary of Military FTEs](#)

**Table 9: Civilian FTEs**

Capability Program	2000-01*	20001-02	2002-03	
	Actual	Actual	Planned	Actual*
Command and Control	1,038	1,069	2,188	2,281
Conduct Operations	419	437	422	399
Sustain Forces	13,667	14,132	13,649	13,618
Generate Forces	3,204	3,470	3,352	3,453
Corporate Policy & Strategy	950	955	922	1,285
Total	19,278	20,063	20,533	21,036

Source: Assistant Deputy Minister (Human Resources - Civilian)

Note:

1)\*CSE FTEs not included. The exclusion of CSE FTEs in fiscal years 2000/01 (Actual) was based on the understanding that only employees as defined by the Public Service Employee Act (PSEA) were to be included. During the 2001/02 DPR creation process decision made to include CSE FTEs for future years.

**Table 10: Military (Regular Force) FTEs**

Capability Program	2000-01	20001-02	2002-03	
	Actual	Actual	Planned	Actual
Command and Control	5,969	5,850	5,973	5,616
Conduct Operations	20,179	18,459	18,848	18,736
Sustain Forces	20,484	21,054	21,499	22,204
Generate Forces	11,306	12,972	13,247	14,009
Corporate Policy & Strategy	914	914	933	1,030
Total	58,852	59,249	60,500	61,595

Source: Assistant Deputy Minister (Human Resources - Military)

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

**Table 11: Combined Civilian and Military (Regular Force) FTEs by Capability Program**

Capability Program	2000-01	20001-02	2002-03	
	Actual	Actual	Planned	Actual
Command and Control	7,007	6,919	8,161	7,897
Conduct Operations	20,598	18,896	19,270	19,135
Sustain Forces	34,151	35,186	35,148	35,822
Generate Forces	14,510	16,442	16,599	17,462
Corporate Policy & Strategy	1,864	1,896	1,855	2,315
<b>Total</b>	<b>78,130</b>	<b>79,312</b>	<b>81,033</b>	<b>82,631</b>

*Source: Assistant Deputy Minister (Human Resources - Military) & Assistant Deputy Minister (Human Resources - Civilian).*

*Note: CSE staff included in total but not in breakdown.*

**Table 12: Summary of Civilian FTEs by Occupational Category as at March 31, 2003**

Occupational Category	2000-01	2001-02	2002-03
	Actual	Actual	Actual
OIC Appointments	1	3	3
Executive	82	95	115
Scientific and Professional	1,601	1,723	1,669
Administrative and Foreign Service	3,027	3,986	4,006
Technical	1,847	2,055	2,025
Administrative Support other than Clerical	953	865	743
Clerical and Regulatory	3,298	3,503	3,399
Operational other than General Labour and General Services	2,429	2,326	2,252
General Labour and Trades	3,290	3,039	3,071
General Services	2,750	2,468	2,347
Other (Students, Minister's Staff, Unknown)	Note 1	Note 1	291
Communications Security Establishment staff	Note 2	Note 2	1,115
<b>Total</b>	<b>19,278</b>	<b>20,063</b>	<b>21,036</b>

*Source: Assistant Deputy Minister (Human Resources - Civilian)*

*Note:*

*1) Other category was not separate in these fiscal years.*

*2) CSE not included in 2000-01 but included in 2001-02.*

**Table 13: Summary of Military (Regular Force) FTEs by Randk**

	2000-01	2001-02	2002-03
	Actual	Actual	Actual
<b>Officers</b>			
General/Lieutenant-General; Admiral/Vice-Admiral*	10	10	12
Major-General; Rear-Admiral	20	19	19
Brigadier-General; Commodore	46	45	44
Colonel; Captain (Navy)	278	299	300
Lieutenant-Colonel; Commander	947	998	1,052
Major; Lieutenant-Commander	3,031	3,099	3,152
Captain; Lieutenant (navy)	6,000	5,878	5,843
Lieutenant, Second Lieutenant; Acting Sub-Lieutenant, Sub-Lieutenant	1,406	1,478	1,627
Officer Cadet; Naval Cadet	1,666	1,650	1,808
<b>Sub-total (Officers)</b>	<b>13,404</b>	<b>13,476</b>	<b>13,857</b>
<b>Non-Commissioned Members (NCMs)</b>			
Chief Warrant Officer; Chief Petty Officer 1st Class	602	626	644
Master Warrant Officer; Chief Petty Officer 2nd Class	1,701	1,737	1,769
Warrant Officer; Petty Officer 1st Class	3,579	3,626	3,640
Sergeant; Petty Officer 2nd Class	6,683	6,678	6,717
Master Corporal, Corporal; Master Seaman, Leading Seaman	27,546	26,713	26,058
Private, Private Recruit; Seaman, Ordinary Seaman	5,336	6,393	8,909
<b>Sub-total (NCMs)</b>	<b>45,447</b>	<b>45,773</b>	<b>47,737</b>
<b>Total</b>	<b>58,851</b>	<b>59,249</b>	<b>61,594</b>
<i>Source: Assistant Deputy Minister (Human Resources - Military)</i>			
<i>Note:</i>			

\* Several General and Flag officers are employed in positions outside of the Canadian Forces, such as the United Nations, and the North Atlantic Treaty Organization command positions, and positions in other federal government departments and agencies.

## Capital Projects by Capability Program

Tables: [14. Summary of Capital Projects](#)  
[15. Details of Capital Projects](#)  
[16. Summary of Major Capital Projects](#)

**Table 14: Status Summary of Capital Projects (Equipment) Spending Over \$30 Million (\$ millions)**

Project Number	Capability Programs	Project Phase	Estimated Total Cost RPP 2002-03	Current Estimated Cost	Previous Expenditures	Planned Expenditures 2002-03	Actual Expenditures 2002-03	Variance	Capitalized Expenditures 2002-03
<b>Command And Control</b>									
295	Aurora Communication Management System Replacement	Implementation	57.63	95.20	-	19.89	11.42	8.47	11.42
317	Aurora Electro-Optical System Replacement	Implementation	46.92	46.90	-	8.93	-	8.93	-
423	Aurora - Electronic Support Measures (B)	Implementation	177.21	177.20	-	12.88	0.01	12.87	0.01
428	Aurora - Imaging Radar Acquisition (B)	Implementation	255.12	255.10	0.03	14.97	2.28	12.69	2.28
1399	North American Air Defence Modernisation	Close-Out	1,055.26	1,058.90	1,057.20	0.39	1.76	(1.37)	1.76
1574	Tactical Command Control & Communication	Implementation	1,927.70	1,927.70	1,795.50	104.99	39.62	65.38	14.25

	on System								
1656	Land Forces Command System	Implementation	175.12	178.40	153.00	18.10	9.20	8.90	9.20
1772	Maritime Command Operational Information Network	Closed	33.42	33.42	33.09	0.30	-	0.30	-
2040	Search And Rescue Satellite	Close-Out	65.53	64.52	64.35	0.14	0.10	0.04	0.10
2066	Land Tactical Electronic Warfare Improvements	Close-Out	77.38	75.90	73.60	0.60	0.82	(0.22)	0.82
2370	Cc130 - Avionics Update	Close-Out	91.41	92.00	83.10	4.06	4.80	(0.74)	2.12
2371	Advanced Aircraft Navigation System	Implementation	97.80	106.70	13.10	31.37	16.29	15.08	16.01
2471	High Arctic Data Communication System	Implementation	30.77	27.66	21.73	3.41	1.20	2.21	1.20
2526	Region/Sector Air Operations Centre Project	Implementation	116.22	103.20	76.30	7.65	1.37	6.28	1.37
2535	Classified Electronic Key Management System	Close-Out	35.43	38.06	35.25	0.13	1.84	(1.71)	1.84
2622	Active Phased Array Radar	Identification	55.39	50.21	50.09	4.82	0.04	4.78	0.02
2650	Leopard Thermal Sight	Close-Out	138.60	139.00	126.00	10.60	4.39	6.21	4.39
2660	8 Air Communication & Control System	Implementation	46.57	46.60	11.37	26.25	12.10	14.15	5.76

2664	Advanced Electro-Optic Sensor	Definition	31.68	32.02	28.81	3.24	3.03	0.22	0.03
2683	Position Determination & Navigation System	Close-Out	73.12	73.20	66.20	6.80	2.26	4.54	2.28
2803	Protected Military Satellite Communications	Implementation	230.23	230.23	2.54	61.14	109.79	(48.64)	109.79
	<b>Command And Control Subtotal</b>		<b>4,818.50</b>	<b>4,852.12</b>	<b>3,691.26</b>	<b>340.67</b>	<b>222.32</b>	<b>118.35</b>	<b>184.65</b>
<b>Conduct Operations</b>									
58	Light Armoured Vehicle Life Extension	Implementation	63.44	215.00	32.10	21.72	13.27	8.46	13.20
583	Cf18 - Modernisation	Implementation	1,080.00	1,080.00	247.90	237.24	251.54	(14.30)	244.33
1487	Towed Array Sonar System	Close-Out	113.95	120.40	109.76	5.11	2.36	2.75	0.73
1495	Canadian Patrol Frigate	Close-Out	8,950.75	8,937.93	8,876.27	25.00	15.03	9.97	15.03
1700	Tribal Class Update & Mod Program	Close-Out	1,412.16	1,386.12	1,378.97	9.35	0.69	8.66	0.67
2028	Short Range Anti-Armour Weapons	Close-Out	186.05	186.40	181.90	2.92	4.23	(1.31)	4.01
2211	Cc130 - Hercules Tactical Transport	Close-Out	350.65	350.20	349.30	0.52	0.18	0.34	0.09
2242	Vessels - Maritime Coastal Defence Vessels	Closed	683.76	638.70	628.37	10.85	10.35	0.50	-
2320	Military Automated Air Traffic	Implementation	149.52	165.10	98.00	25.38	9.78	15.60	9.78



	System								
2349	Light Utility Vehicle Wheeled	Implementation	219.53	219.90	6.10	15.81	3.60	12.21	3.60
2517	Utility Tactical Transport Helicopters	Implementation	1,164.56	1,163.10	1,035.60	43.20	17.26	25.94	16.26
2549	Canadian Submarine Capability Life Extension	Implementation	803.49	811.96	450.80	89.08	50.94	38.14	32.41
2551	Phalanx Close-In Weapons System	Close-Out	31.81	31.80	30.81	0.42	0.36	0.06	-
2618	Hercules Replacement Acquisition	Close-Out	108.33	104.85	104.22	2.64	1.52	1.12	1.43
2625	Lynx Replacement Project	Implementation	878.54	878.90	844.50	22.18	14.02	8.16	12.61
2637	Armoured Personnel Carriers	Implementation	2,228.00	2,228.00	1,679.65	318.84	92.30	226.54	70.23
2640	Evolved Sea Sparrow Missile	Implementation	480.09	480.09	189.09	43.41	36.71	6.70	0.09
2657	CC-150 - Strategic Air-To-Air Refuelling	Implementation	103.47	94.50	-	29.13	27.57	1.56	27.56
2678	Canadian Search And Rescue Helicopter	Implementation	771.08	778.52	566.30	175.24	139.67	35.57	121.90
2680	Maritime Helicopters	Definition	55.71	84.40	19.31	13.62	15.17	(1.55)	15.17
2684	Improved Landmine Detection Capability	Implementation	31.11	31.60	25.40	0.71	4.48	(3.77)	4.48
2731	Armoured Personnel Carriers Life Extension	Implementation	327.01	335.30	139.40	53.35	74.48	(21.13)	67.87

2780	Towed Torpedo Countermeasures	Implementation	30.03	22.87	5.46	7.08	5.71	1.37	5.71
	<b>Conduct Operations Subtotal</b>		<b>20,223.01</b>	<b>20,194.63</b>	<b>16,999.21</b>	<b>1,152.79</b>	<b>791.21</b>	<b>361.58</b>	<b>667.16</b>
<b>Sustain Forces</b>									
2536	Role Three Health Support	Implementation	40.42	40.60	16.40	10.56	5.02	5.54	4.91
2573	Maritime Environmental Protection Project	Implementation	41.22	42.10	31.36	5.10	1.79	3.31	-
2400	Defence Integrated Human Resources	Close-Out	49.65	58.83	43.28	2.76	5.30	(2.54)	5.30
2272	Material Acquisition And Support Information System	Implementation	137.46	120.29	50.59	52.55	44.16	8.39	44.16
2475	Defence Message Handling System	Implementation	132.94	87.95	38.84	22.19	19.04	3.15	19.04
1947	Canadian Forces Supply System Upgrade	Implementation	298.12	252.80	226.17	21.45	18.84	2.62	18.84
	Clothe The Soldier Omnibus Project	Implementation	226.76	257.42	112.26	57.56	22.67	34.89	-
	<b>Sustain Forces Subtotal</b>		<b>926.57</b>	<b>859.99</b>	<b>518.90</b>	<b>172.18</b>	<b>116.82</b>	<b>55.36</b>	<b>92.25</b>
<b>Generate Forces</b>									
2237	Naval Combat Trainer	Implementation	38.81	39.73	32.70	7.76	4.47	3.29	4.47
2624	Unit Weapons Trainers	Close-Out	54.31	66.19	47.10	14.71	16.56	(1.85)	15.18

2058	Weapons Effect Simulation	Implementation	122.84	122.84	2.61	4.17	1.87	2.30	1.87
410	Aurora - Flight Deck Simulator	Implementation	38.72	38.69	-	11.31	4.27	7.04	4.27
	<b>Generate Forces Subtotal</b>		<b>254.67</b>	<b>267.45</b>	<b>82.40</b>	<b>37.94</b>	<b>27.17</b>	<b>10.77</b>	<b>25.79</b>
	<b>All Capabilities Total</b>		<b>26,222.76</b>	<b>26,174.18</b>	<b>21,291.78</b>	<b>1,703.57</b>	<b>1,157.51</b>	<b>546.06</b>	<b>969.85</b>

**Table 15: Details of Capital Projects (Construction) - Spending Over \$60 Million (\$ millions)**

Work Breakdown Structure Number	Project Title	Base	Total Project Amount	Past Year Expenditures	02/03 Planned	02/03 Actual Expenditures	Planned Future 5-yr Expenditures
00000344	Training Area Sedimentation Remediation	Gagetown	108.36	2.00	1.01	0.00	106.36
00004360-99	FMF Cape Breton	Esquimalt	91.58	17.93	14.20	8.39	65.26
00000248	Héberger 5e Brigade	Valcartier	91.60	3.63	0.25	0.25	87.72
<b>Total</b>			<b>291.54</b>	<b>23.56</b>	<b>15.46</b>	<b>8.64</b>	<b>259.34</b>

*Source: Assistant Deputy Minister (Infrastructure and Environment)*  
*Note: Due to rounding, figures may not add up to totals shown.*

**Table 16: Status Summary of Major Crown Projects and Major Capital Projects (Equipment)**

Status summary of major crown projects available on-line at:  
[www.vcds.forces.ca/dgsp/pubs/rep-pub/dspc/dpr2003/ssmcp\\_e.asp](http://www.vcds.forces.ca/dgsp/pubs/rep-pub/dspc/dpr2003/ssmcp_e.asp).

Status of large major capital projects (equipment) available on-line at:  
[www.vcds.forces.ca/dgsp/pubs/rep-pub/dspc/dpr2003/srlmp\\_e.asp](http://www.vcds.forces.ca/dgsp/pubs/rep-pub/dspc/dpr2003/srlmp_e.asp).

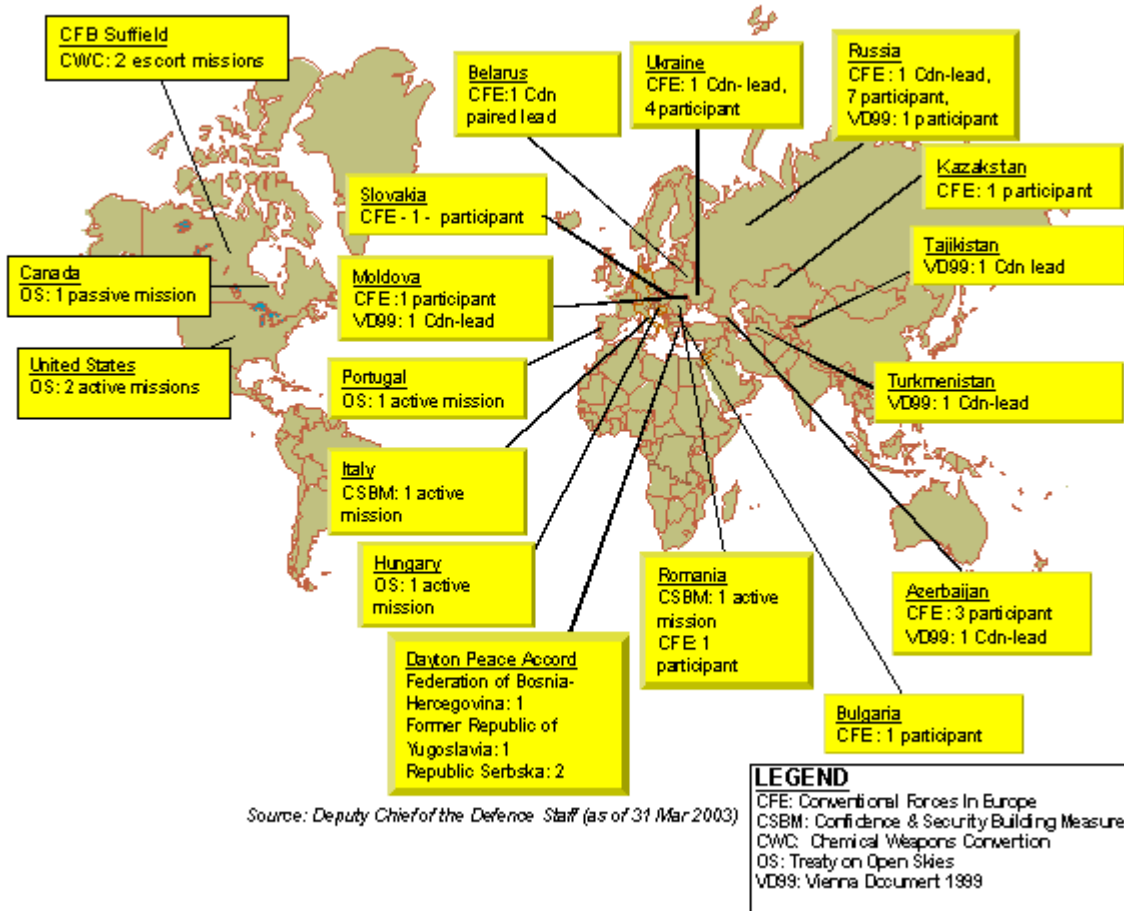
## Part VII: Other Information

### Canadian Forces Arms Control and Verification Missions

Canada is a signatory of various treaties and agreements, including the Conventional Forces in Europe Treaty, the 1999 Vienna Document, the Dayton Peace Accords, the Chemical Weapons Convention and the Treaty on Open Skies. The CF

were actively involved in a range of operations in support of Canada's political and legal obligations and rights under these treaties and agreements, as illustrated in the chart below. These missions involved ground and air inspections, evaluations and observation teams deployed across Central and Eastern Europe, Russia, the Caucasus and the former Soviet Republics of Central Asia.

## CF Arms Control and Verification for FY 2002-03



*Note: An "Active Skies Mission" is the right of a State Party to the Treaty on Open Skies to conduct an observation mission over the territory of another State Party. A "Passive Skies Mission" is the obligation of a State Party to the Treaty on Open Skies to receive and escort another State Party conducting an observation mission over its own territory.*

Conventional Forces in Europe (CFE) inspections included:

- 3 Canadian-led inspections to Russia, Ukraine and Belarus; and,
- 19 as a participant in multinational inspection teams, including nine times to Russia, three times to Azerbaijan and the Ukraine, and once each to Bulgaria, Kazakhstan, Moldova and Slovakia.

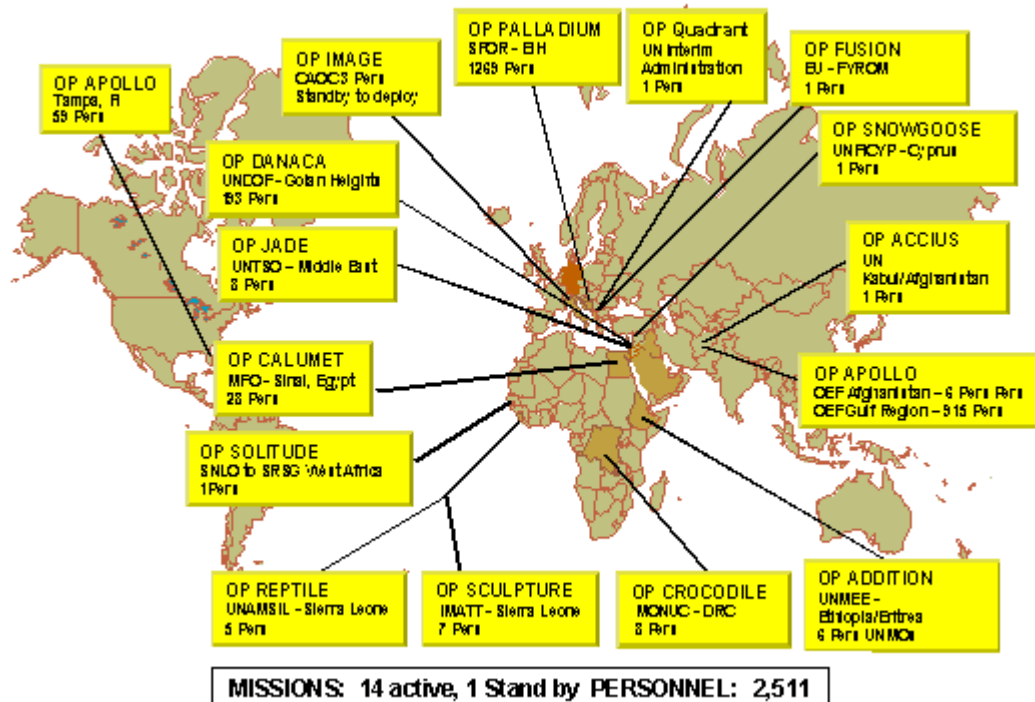
**Vienna Document 1999** inspections and related Confidence and Security Building Measures included:

- three Canadian-led inspections to Moldova, Tajikistan, Turkmenistan;
- two confidence and security building visits to Italy and Romania; and,
- one as a participant in a multinational team to Azerbaijan.

**The Dayton Peace Accord** inspections included three Article VI Inspections to the Federation of Bosnia and Herzegovina, the Former Republic of Yugoslavia and Republic Serbska. The Chemical Weapons Convention inspections included two escort missions to CFB Suffield, in Alberta. Under the Treaty on Open Skies, one passive mission was conducted over Canada and four active missions were conducted, two in the U.S. and one each in Portugal and Hungary.

## Canadian Forces International Operations

### CF International Deployments for FY 2002-03



Source: Deputy Chief of the Defence Staff (as of 31 Mar 2003)

## Africa

### United Nations Mission in Ethiopia and Eritrea (UNMEE) - Operation ADDITION

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

### United Nations Mission in Sierra Leone (UNAMSIL) - Operation REPTILE

The mandate of UNAMSIL is to co-operate with the Government of Sierra Leone and the other signatories to the peace agreement and to help them implement the terms of the agreement and to assist with the disarmament, demobilization and reintegration of combatant forces. The CF provided UNAMSIL with five officers who serve as UN Military Observers.

### International Military Advisory and Training Team (IMATT) Sierra Leone - Operation SCULPTURE

The mandate of the IMATT Sierra Leone is to provide advice and training to help the Government of the Republic of Sierra Leone build new, effective armed forces. The CF contributes seven personnel to this mission.

### United Nations Observer Mission in the Democratic Republic of the Congo (MONUC)- Operation CROCODILE

The mandate of MONUC is to monitor and investigate violations of the Ceasefire Agreement. Canada provides eight staff officers to the UN Headquarters in Kinshasa. Canada's commitment is currently indefinite.

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

A UN-mandated Mixed Commission has been sent to West Africa to resolve a dispute between Cameroon and Nigeria on the sovereignty of the Bakassi Peninsula. Canada has committed a Colonel who is serving as the Senior Military Liaison Officer to the Special Representative to the Secretary General to West Africa. He departed on 23 March 2003 for the yearlong task.

## **Arabian Gulf and Asia**

### **The Multinational Coalition Against Terrorism - Operation APOLLO**

The CF have been involved in the U.S.-led campaign against terrorism since October 2001. Since then, some 7000 CF personnel have been involved. The CF contribution to the campaign includes such units and formations as:

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

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

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

Established on March 28, 2002 UNAMA, is a civilian-led mission responsible for the planning and conduct of all UN activities in Afghanistan, particularly political affairs and relief, recovery and reconstruction activities in coordination with the Afghan Transitional Authority. Canada's contribution includes a Lieutenant-Colonel who is employed as one of three military advisors to Mr. Brahimi, the Special Representative to the Secretary General, in Kabul, Afghanistan. His duties include liaison with International Security Assistance Force and coalition personnel based in Afghanistan.

## **Central America and the Caribbean**

There were no missions in Central America or the Caribbean in 2002-03.

## **Europe**

### **North Atlantic Treaty Organization (NATO) Stabilization Force - Operation PALLADIUM**

The CF contribution to the peace operations in Bosnia-Herzegovina as part of NATO's Stabilization Force consists of 1,227 Canadians serving in the Task Force in command and support elements, an infantry battle group and a helicopter detachment. Their mission is to support the United Nations in deterring hostilities, establishing a secure environment, and monitoring the peace.

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

Canada contributed a Lieutenant-Colonel as Executive Assistant to the Commander of the EU-led security mission in Macedonia. The Lieutenant-Colonel was deployed from March 26, 2003 to May 13, 03.

#### **United Nations Mission in Kosovo (UNMIK) - Operation QUADRANT**

The mandate of UNMIK is to establish a civilian presence in Kosovo and to establish an interim civilian administration in the province, headed by UN officials and designed to move the Kosovar people toward substantial autonomy. The CF provided one officer to serve with the UN Mission Interim Administration in Kosovo. The last Canadian returned to Canada in late August 2002 and the mission officially closed in September of that year.

#### **North Atlantic Treaty Organization (NATO) Air Campaign - Operation IMAGE**

Canada has supported Operation IMAGE, which provides for the command and control of air assets over the Balkans region, since the Kosovo air campaign in 1999. Since the establishment of the Combined Air Operations Centre (CAOC) #5 in Poggio Renatico, Italy, in September 2001, Canada has reduced its contribution to this operation to four staff officers on standby, who are maintained on 20 days' notice to deploy.

### **Middle East**

#### **United Nations Truce Supervision Organization (UNTSO) - Operation JADE**

The mandate of UNTSO is to observe and maintain the cease-fire and to assist the parties in supervising the application and observance of the General Armistice Agreement concluded separately between Israel, Egypt, Lebanon, Jordan and Syria. The CF has eight personnel deployed. In the fall of 2002, a Lieutenant-Colonel was deployed as the Military Advisor to the United Nations Special Co-ordinator to the Occupied Territories (UNSCO).

#### **United Nations Disengagement Observer Force (UNDOF) - Operation DANACA**

The UN mandate is to supervise the cease-fire between Israel and Syria, to supervise the redeployment of Israeli and Syrian forces, and to establish an area of separation according to the disengagement agreement. Canada provides 193 personnel primarily for supply, transport, and maintenance support, as well as communications detachments to all UN Disengagement Observer Force units.

#### **Multinational Force and Observers - Operation CALUMET**

The mandate of the Multinational Force and Observers in the Sinai, a non-UN mission, is to supervise the provisions of the peace treaty between Israel and Egypt in accordance with the Camp David Accord. Tasks include operating a series of observation and command posts and checkpoints, as well as verifying the adherence of the parties to the treaty. The CF provides the Force Commander and 30 personnel to the headquarters staff.

#### **United Nations Peacekeeping Force in Cyprus (UNFICYP) - Operation SNOWGOOSE**

The UN mandate is to maintain the 1974 ceasefire and restore normal conditions in the country. The CF provides one intelligence officer at the rank of Captain to the information cell of the UN Mission headquarters.

### **Canadian Forces Operations in North America**

Since the fall of 2001, in the wake of the terrorist attacks of September 11th, Canada's air forces have participated in Operation NOBLE EAGLE, a bi-national Air Defence Operation under the auspices of NORAD. The purpose of this operation is to enhance the safety and security of North American airspace. The CF has flown over 2,300 missions in support of this operation.

## Canadian Forces Domestic Operations

The Canadian Forces provided support to the G8 Summit, hosted in Kananaskis, Alberta from 26 to 28 June 2002, through Operation GRIZZLY. This operation was the largest domestic operation conducted by the CF in 2002-03. In total, close to 6,000 troops and hundreds of vehicles and aircraft were deployed in support of the Summit. Additional details may be found under Part II of this report.

The most current information on CF operations is available on-line at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.forces.gc.ca/site/operations/current\\_ops\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.forces.gc.ca/site/operations/current_ops_e.asp).

## Canadian Forces International Operations Costs

Operations	Planned Costs RPP 2002-03		Actual Costs 2002-2003 (\$millions)			
	Full DND Cost	Incremental DND Cost	Full DND Cost	Incremental DND Cost	Est UN Revenue to CRF	Est UN/MFO Revenue to DND
<b>Europe</b>						
SFOR - OP PALLADIUM (Bosnia) (NATO) (1)	455.1	162.9	472.9	180.7		
OP QUADRANT (Albania, UNMIK, UNMACC)	0.8	0.4	0.8	0.4		
OP IMAGE	0.2	0.1	0.2	0.1		
OP ARTISAN (UN ALBANIA)	0.0	0.0	.1	.1		
EU Mission FYROM - OP FUSION			0.0	0.0		
<b>SUB-TOTAL</b>	<b>456.1</b>	<b>163.4</b>	<b>474</b>	<b>181.3</b>		
<b>ASIA</b>						
Op APOLLO	251.7	180.6	709.1	233.5		
Op ATHENA - ISAF (Kabul, Afghanistan) (2)			0	0		
UNAMA (Kabul, Afghanistan)			0.2	0.1		
<b>SUB-TOTAL</b>			<b>709.3</b>	<b>233.6</b>		
<b>MIDDLE EAST</b>						
UNDOF - OP DANACA (Golan Heights)	29.6	8.0	29.6	8.0		
MFO (Multinational Force & Observers) - OP CALUMET (Sinai) non-UN	3.0	0.5	3.0	0.5		
UNTSO (Middle East)	1.5	0.7	1.5	0.7		



UNFICYP - OP SNOWGOOSE (Cyprus)	0.3	0.1	0.3	0.1		
<b>SUB-TOTAL</b>	<b>34.4</b>	<b>9.3</b>	<b>34.4</b>	<b>9.3</b>		
<b>AFRICA</b>						
UNAMSIL - OP REPTILE (Sierra Leone)	0.6	0.2	0.6	0.2		
IMATT - OP SCULPTURE (Sierra Leone)	4.0	0.4	4.0	0.4		
MONUC - OP CROCODILE (DRC)	1.3	0.3	1.3	0.3		
UNMEE - OP ADDITION (Ethiopia/Eritrea)	1.0	0.5	1.0	0.5		
UNSRSG WEST AFRICA - OP SOLITUDE			0.0	0.0		
OP CARAVAN - (DRC)			0.0	0.0		
<b>SUB-TOTAL</b>	<b>6.9</b>	<b>1.4</b>	<b>6.9</b>	<b>1.4</b>		
Revenue and Recoveries from the UN					4.5	6
<b>TOTAL - OPERATIONS</b>			<b>1224.6</b>	<b>425.6</b>		

Source: Assistant Deputy Minister (Finance and Corporate Services)

Notes:

1. Operation Palladium cost estimates will be subject to a future detailed cost review due to changes in the concept of operations for this mission.

2. Canada has committed to contribute to Operation Athena, the International Security Assistance Force (ISAF) in Afghanistan that is just beginning. Costs for this operation, to commence in August 2003, may still need augmentation/adjustment.

## Recognizing Individual and Team Achievements

A complete listing of Honours, Awards and External Awards Recipients may be found on the internet at:

[http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/awards\\_e.asp](http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.gc.ca/dgsp/pubs/rep-pub/dspc/dpr2003/awards_e.asp).

## Statutes, Regulations and Orders

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

- [Aeronautics Act](#) ;
- [Auditor General Act](#) ;
- [Access to Information Act](#) ;
- [Canada Elections Act](#) S.C. 2000 C. 9 (Under the general direction of the Chief Electoral Officer, DND administers the Special Voting Rules (Part II of the Act) as they relate to Canadian Forces electors.);
- [Canadian Environmental Assessment Act](#) ;
- [Canadian Environmental Protection Act 1999](#) ;

- [Canada Evidence Act](#) ;
- [Canada Labour Code, Part II](#) ;
- [Canadian Forces Superannuation Act](#) ;
- [Controlled Access Zone Order](#) (Halifax, Esquimalt and Nanoose Harbours) - was made by the Governor in Council on 12 December 2002;
- [Defence Services Pension Continuation Act](#) ;
- [Department of Public Works and Government Services Act](#) ;
- [Emergencies Act](#) ;
- [Emergency Preparedness Act](#) ;
- [Employment Equity Act](#) ;
- [Fisheries Act](#) ;
- [Garnishment, Attachment and Pension Diversion Act](#) ;
- [National Defence Act](#) ;
- [Official Languages Act](#) ;
- [Pension Benefits Division Act](#) ;
- Queen's Regulations and Orders for the Canadian Forces;
- [Privacy Act](#) ;
- [Visiting Forces Act](#) ; and,
- [Governor-In-Council Order excluding DND and the CF from the Nuclear Safety and Control Act](#) and regulations made pursuant to that Act.

## Portfolio/Organizational Chart

## Contacts for more information about this report

### Performance Information

Lieutenant-General G.E.C. Macdonald Vice Chief of the Defence Staff National Defence Headquarters 101 Colonel By Drive Ottawa, Ontario K1A 0K2	Telephone: (613) 992-6055 Facsimile: (613) 992-3945
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### Financial Information

Mr. R.G. Monette Assistant Deputy Minister Finance and Corporate Services National Defence Headquarters 101 Colonel By Drive Ottawa, Ontario K1A 0K2	Telephone: (613) 992-5669 Facsimile: (613) 992-9693
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## General Inquiries

Public Inquiries Office Assistant Deputy Minister Public Affairs National Defence Headquarters 101 Colonel By Drive Ottawa, Ontario K1A 0K2	Telephone: (613) 995-2534 Facsimile: (613) 995-2543 <a href="mailto:information@forces.gc.ca">mailto: information@forces.gc.ca</a>
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## Internet sites on the World Wide Web

Department of National Defence	<a href="http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.dnd.ca/">http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.dnd.ca/</a>
Defence Plan On-Line	<a href="http://www.vcds.forces.gc.ca/DPOnline/main_e.asp">www.vcds.forces.gc.ca/DPOnline/ main_e.asp</a>
Defence Planning and Management	<a href="http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.ca/dpm/">http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.vcds.forces.ca/dpm/</a>
Office of Critical Infrastructure Protection and Emergency Preparedness	<a href="http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.ocipep.gc.ca/index.asp">http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.ocipep.gc.ca/index.asp</a>
Communications Security Establishment	<a href="http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.cse.dnd.ca/">http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.cse.dnd.ca/</a>
Defence Research & Development Canada	<a href="http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.drdc.dnd.ca/">http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.drdc.dnd.ca/</a>
National Search and Rescue Secretariat	<a href="http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.nss.gc.ca/">http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.nss.gc.ca/</a>
Office of the Judge Advocate General	<a href="http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.forces.gc.ca/jag">http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.forces.gc.ca/jag</a>
Office of the Ombudsman for National Defence and the Canadian Forces	<a href="http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.ombudsman.forces.gc.ca/">http://www.collectionscanada.gc.ca/webarchives/20060120095154/http://www.ombudsman.forces.gc.c a/</a>