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Chair

Mr. Stephen Fuhr

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• (1530)

[English]

The Chair (Mr. Stephen Fuhr (Kelowna—Lake Country, Lib.)): Thank you for appearing today.

I would like to thank the minister, department officials, and department staff for coming today to talk about supplementary (C)s.

I understand there will be opening remarks. There will be questions.

I realize your time is limited, Minister, so the time allotted for questions and answers is limited and specific. We will try to make sure that everyone gets a chance to participate.

Minister, thank you for coming. The floor is yours.

Hon. Harjit S. Sajjan (Minister of National Defence): Thank you, Mr. Chair.

I'm pleased to be here again to discuss the Department of National Defence supplementary estimates (C). The estimates I will speak to this afternoon represent core requirements for National Defence.

The funding our department is requesting will contribute directly to the operational effectiveness of our military. This will help Canada achieve success both at home and abroad. The department has requested additional funding of approximately \$29 million in these estimates. This represents a fraction of our overall estimated spending of \$18.8 billion in this fiscal year.

The requests we have made in these supplementary estimates will serve three important purposes in pursuit of the government agenda: first, our commitment to actively contribute to peace and security in the world; second, our commitment to building a strong, modern, and ethnically diverse force through a targeted recruitment; and third, our commitment to good stewardship of resources.

On the first point, our engagement in the world, the largest part of today's requests pertains to Operation Reassurance. This operation relates to NATO assurance and deterrence measures in central and eastern Europe. Canada is a strong and proud partner in the alliance. We stand ready to deploy military personnel and equipment in support of our allies when and where they are needed.

These estimates reflect already-announced changes in our approach to these measures. Canada will assume a leadership role as one of four framework nations as part of NATO's enhanced forward presence. We will be responsible for establishing a leading multinational NATO battle group in Latvia. This demonstrates the high level of trust that allies have for us in Canada. It is also a clear

demonstration of Canadian leadership on the international stage and the value of our women and men in uniform.

The additional funding requested for Operation Reassurance will ensure that our military is able to meet its defence commitments around the world.

We are also requesting approximately \$2.6 million for the important work that the Communications Security Establishment is doing to address the crisis in Iraq and Syria.

I will turn your attention now to the second topic, recruitment. The most valuable and effective asset in the Canadian Armed Forces' arsenal is its people. We need to continue attracting the best and brightest Canada has to offer into the ranks of our military if we are going to succeed. That requires a concerted recruitment effort including advertising to attract motivated, talented, and qualified women and men to make up today's armed forces. We are requesting an additional \$1 million to help build that force through targeted recruiting. In fact, recruitment is the only reason National Defence advertises. We also know how important it is to draw from the entire breadth and depth of Canadian talent.

I would now like to address our third request, which is about good stewardship and giving our women and men in uniform the tools they need. Specifically, we are requesting that roughly \$19,000 from the sale of National Defence property be reinvested in an explosive ordnance disposal facility at CFB Gagetown. By reinvesting money from our other revenues, we will ensure that reinvestments in needed facilities like this have no impact on the public purse.

Finally, I would like to talk about transfers. As part of these estimates, National Defence will be receiving \$2.8 million in transfers from other departments. An example of this is a \$713,000 transfer from Public Services and Procurement Canada. This will help improve contracting and procurement and make it more efficient. Another transfer comes from Global Affairs Canada and totals \$91,000 to support defence and security work at missions abroad.

DND will also be transferring funds to other government departments, \$3.4 million in fact. This includes \$403,000 to the National Sciences and Engineering Research Council of Canada to support joint research grant projects. We will also direct \$1.9 million to Global Affairs Canada for a command centre project in Guatemala.

These are some of the many projects that make up the overall budgetary picture of DND.

In short, Mr. Chair, it all comes down to one thing, solid financial stewardship. The Department of National Defence is committed to maximizing value for Canadian tax dollars.

• (1535)

We are committed to ensuring that the money we manage has a positive impact on our most important asset, which is our people. As we move toward a new fiscal year, we continue to build on the government's priorities. We do this while operating within a whole-of-government framework and a complex fiscal environment.

Thank you for giving me the opportunity today to demonstrate how DND is advancing the government's agenda. I will take your questions.

The Chair: Thank you, Minister.

Our first seven-minute question will go to Ms. Alleslev.

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, Lib.): Thank you, Minister. It is always a pleasure to be in your presence. I'm wondering if we could talk a bit about the money going to the Communications Security Establishment. After 70 years, there's no question that we've come a long way from cryptology, and we've just heard significantly from NATO, when some of the members of the defence committee had an opportunity to be in Brussels, and then this past week in Washington, that cybersecurity is definitely one of the significant areas that we need to be focused on.

We're wondering if Iraq and Syria and the money we're going to be putting into this particular aspect is going to give us an additional capability and framework to further that conversation on cybersecurity and our critical role in it.

Hon. Harjit S. Sajjan: I'll explain some of the work they do and where this investment goes, and I'll open it up to the DM and to Dom to give some of the details of that work, and I'll also speak from my own experience.

I can assure you, when it comes to intelligence, that intelligence is not just strictly about the military. What we bring, as Canada, to the table is our ability to bring other departments and agencies together and build a much wider picture. CSE plays an absolutely critical role. It's not understood a lot, obviously, for good security reasons, but it provides a phenomenal role as part of that intel fusion.

I'll just turn it over to Dom to explain the details there.

Mr. Dominic Rochon (Deputy Chief, Policy and Communications, Communications Security Establishment): In terms of the \$2.9 million specifically related to these estimates, they're mainly focused more on intelligence capabilities, collection of intelligence to be able to support our troops in theatre. That intelligence

contributes to security against cyber-threats, but more specifically in this particular instance, that's not the case. The money specifically in these estimates is not related to what I would refer to as part B of our mandate in terms of thwarting cyber-threats. We actually have that activity, and that activity works hand in hand with regard to our foreign signals intelligence. Our foreign signals intelligence collection does inform better cyber-defence, but in this case the money specifically is going toward part A of our mandate, which is foreign signals intelligence.

Ms. Leona Alleslev: Will it inform us on our policies going forward and help us to evolve the doctrine because of the approach we're able to use in this conflict area?

• (1540)

Hon. Harjit S. Sajjan: I can answer for the policy side of the questions. It's not just informing in terms of policies, but in terms of how we operate in a complex anti-intelligence environment. I can say that Canada really sets the example. Other nations look to us. It's not just about creating better policies and how we can share some of our policy experience, but also in terms of the strategies as well. Hence, one of the reasons why we did this is that one of the first requests I got when I visited Iraq was intelligence. I knew exactly what our allies were looking for. It was that fusion ability. I also want to stress how important CSE's work is for the force protection of our people.

Ms. Leona Alleslev: That's fantastic. Thank you.

I'll go now to procurement because I know you're looking for some transfers from PWGSC so that we can have an increased delegation of authority, so that DND will be able to take a greater responsibility around procurement authorizations and the like. Can you share with us some of what that means, why this is important, and how it's going to help in streamlining our defence procurement process?

Hon. Harjit S. Sajjan: I'll let the DM get into the details of this, but the delegated authority will eventually allow National Defence to buy supplies up to \$5 million in a competitive manner, pending approval by Treasury Board, of course, and this will be exercised in a phased approach. To implement this, National Defence and PSPC agreed to transfer resources to cover the increased workload that it will represent for National Defence.

I'll let the DM get into the specific details of this.

Mr. John Forster (Deputy Minister, Department of National Defence): We're approaching this in a couple of phases. The first phase was the transfer to us of up to \$400,000. We'll put in place systems and processes. We eventually hope to move that, then, to \$1 million and then to \$5 million. When we've done this process, 80% of the defence procurement, the lower-value regular stuff, will be done by Defence, and Public Services will do the higher-value, higher-risk stuff. We hope that'll speed things up and improve efficiency.

Ms. Leona Alleslev: Will you have a performance measurement framework in place to measure the success of the performance over the time of procurement?

Mr. John Forster: Yes. We're going to want to track how well we're doing. The whole goal of this process is to move things faster. We're taking care of the lower-value, more numerous procurements. We want to try to do them quicker.

Ms. Leona Alleslev: Can you give us a feel for what percentage of all DND procurement that represents?

Mr. John Forster: We're doing it in three phases, so that we're well prepared and have the processes in place. When we get up to the final stage, about 80% of the defence procurement will be done by us and Public Services will do the rest, including the higher-value, larger projects, like fighter jets, ships, and that sort of thing.

Ms. Leona Alleslev: Do you foresee a time where you might want to assume more responsibility over that procurement process?

Mr. John Forster: We'll take it in these three bites and then we'll see where we go from there.

Ms. Leona Alleslev: Thank you.

I have no further questions.

The Chair: Ms. Gallant, you have the floor.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Thank you, Mr. Chairman.

In the supplementary estimates (C), it says that National Defence is receiving an additional charge for IT services from Shared Services Canada. Why is your department being financially penalized for program cost overruns that your department has no control over?

Hon. Harjit S. Sajjan: I don't think that it's being penalized.

Do you want to take that?

Mr. John Forster: Actually, we're transferring money to Shared Services to support our Canadian defence attachés overseas. It gives them money to put the IT equipment in and provide the IT support for our personnel overseas. That would be the \$12,000 that we're transferring, if that's the one you're asking about.

Mrs. Cheryl Gallant: I'm asking about the \$100 million to \$249 million for the Phoenix system. Why is there such a big spread?

Mr. John Forster: Sorry, I'm unclear...

Ms. Leona Alleslev: The Guardian system.

Mrs. Cheryl Gallant: Why is there such a big spread between the figures in the estimate?

Mr. John Forster: Are you referring to the payroll system?

Ms. Leona Alleslev: Yes.

Mr. John Forster: Actually, that's money coming back to us from Public Services of about \$2 million. For the military payroll system, we...is that the one you're referring to?

● (1545)

Mrs. Cheryl Gallant: Yes.

Mr. John Forster: Mr. Chair, which item are we on? Is it the transfer for the payroll system?

Mrs. Cheryl Gallant: Yes.

"Guardian," as the system will be called, will upgrade the implementation of pay, compensations and benefits, and assist with other functions such as recruiting and appraisal...The project is estimated to cost between \$100 million to \$249 million.

Mr. John Forster: I understand.

Mrs. Cheryl Gallant: Why is there such a variance?

Mr. John Forster: The military has its own pay system that is separate from that of the public service. In 2014, the Treasury Board approved that we go ahead with a project to modernize military pay. In 2015, they asked us to move military pay into Phoenix. We looked at that and last June, we assessed that was probably not going to be the best idea we've ever had, so we cancelled that move. The transfer of money back to us is money that had gone to Public Services to help define that project. Since we've cancelled it, we're going to keep the payroll system in the military. We're upgrading the system now and that will keep us in good shape for the next five years. We're not going to move it over to Phoenix.

Mrs. Cheryl Gallant: How is that going to impact our veterans who are moving from National Defence to Veterans Affairs? Some of them have been waiting over a year for the change in money, for their pensions to start, and for monies that were owed to them from DND. If we have yet another separate pay system—

Mr. John Forster: It's always been separate and it will continue to be separate pay, just for the military. However, that's different from the pension system.

Hon. Harjit S. Sajjan: We need to be mindful as well that we're looking at a much wider program to make it as seamless as possible. We know that there are challenges right now and we're working on trying to make a seamless approach. The eventual goal of this is to have a system in place. Regardless of what's in the back or what needs to happen, we want to make sure that the member who is going to be releasing and going into Veterans Affairs has a seamless approach. We need to ensure that the actual pension cheques are done before they get released, but we also have to account for all the benefits that they potentially would be getting in Veterans Affairs as well. It's a much wider topic than just pay and we want to make sure that the entire system is seamless in this case.

Admiral, do you want to add anything?

Vice-Admiral Ron Lloyd (Acting Vice Chief of the Defence Staff, Department of National Defence): Some of these delays have actually been as a result of lack of capacity to move those pension cheques through the system. The chief's direction has insisted that we direct the resources in order to enable that to take place. We're directing those resources to enable that to happen so that those pension cheques can be delivered in a timely fashion.

As the minister just indicated, one of the issues is that you can start doing the analysis to make sure there are no adjustments in pay so that you can come up with that definitive allowance going forward. The chief has even directed us to take a look at maybe how you can take an individual, maybe 30 days before they retire, and freeze where they are, which allows the individuals to go and do the analysis to come up with what the determination is so that, hopefully, the day you walk out as a military member and become a veteran, you'd be entitled to that cheque right away.

Those are some of the steps we're taking.

Mrs. Cheryl Gallant: That seems to contradict what the technicians, the ones at the help desk, are telling me with respect to soldiers who are contacting them because they can't get access to their pay. If they'd been on sick leave, maternity leave, or if they've been deployed, there seems to be some sort of disconnect when they come back. The technicians with whom I spoke referred to the Phoenix pay system and all the problems affiliated with that. These technicians, who are contracted, receive absolutely no training. They just have to go by what they know in general by having worked on this type of software with payroll systems in general. Something isn't jelling right here.

Hon. Harjit S. Sajjan: On that note, I think one thing is that we need to ensure the entire system...in terms of how we transition our folks out and whether our troops get paid. I can give you horror stories from when I was serving in terms of how long people even had to wait as reservists from a class A, B, C system. I can go into a laundry list of that. I can also say at the same time, even when I was serving, that progress has been made. We're not there yet. I think successively, as different people in my portfolio have come and tried to improve it, we're going to be trying to take it to a brand new level.

I don't want to look at just one particular issue; I want to look at an issue in the totality. That's what's going to allow us to really move forward for this. If we get that right, it's going to really allow us to make sure we have the proper services for our men and women.

• (1550)

The Chair: I turn the floor over to Mr. Garrison.

Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP): Thank you to the minister and officials for being here today.

I want to try to get to three things.

The last time you were here, Mr. Minister, on supplementary estimates, I asked you about recruitment. I see welcome money toward advertising. One of the things that we lost, on the Prairies in particular and perhaps elsewhere in Canada, is targeted recruiting that used to go to first nations reserves and some of the rural and more remote communities. Those are communities that struggle with employment challenges, so it's a good opportunity for people. It also reinforces the diversity of our forces.

I'm glad to see advertising money, but when you talk about targeted recruitment, are we going to be able to go back to those targeted efforts to get people from first nations, rural, and remote communities into the Canadian Armed Forces?

Hon. Harjit S. Sajjan: I hate to bring my own experience into this, but I do have a lot of experience with recruiting. I'm going to give you even greater complexity to this. It's not just about attraction. It's about how we make sure we allow for.... When we have a message that we want to send about the Canadian Armed Forces, how does that have an equal interpretation so that all Canadians can make an informed decision? How do we make sure that the first nations communities and some of the rural areas can also hear about this and what opportunities it holds? We are going to be moving out with making sure.... One of the things is that, if you want to hit some of those communities, send one person in uniform so they can see that they too can be like that. Then let's not stop there. We can't just go recruit them; we have to then make sure that the training system is going to take gender issues and other issues into account as well. And then the unit itself has the ability to take that into account.

Again, it goes into a much wider aspect. I'm happy to say that some very innovative thought has been put into recruitment by the department. I look forward to launching on this. That's why there's money on the attraction. This is not about advertising. This is an operational necessity for us for recruiting.

VADM Ron Lloyd: If I could just add, Minister, there's nothing more frustrating than when you've actually attracted a young Canadian who wants to come and serve as a reservist or in the regular force, and then they get there and it takes them eight months to a year to get in. That is just frustrating as all get-out.

I'm happy to say that the army and the navy have now introduced an expedited enrolment process for their reservists. As a matter of fact, Tuesday, I'll be going to Donnacona, Montreal, and we'll be bringing in our first reservist who will, after 21 days from the time she went to the recruiting centre, be enrolled as a naval logisticians here next week. We're really happy about that.

The other thing we've done under the chief's direction is we've gone to our recruiting group and said, you need to come back and tell us how a young Canadian can walk into a recruiting centre, and in 30 days, if they want to join, they can join.

Those are some of the efforts. Attraction is one piece, but then actually having them enrolled is probably more important, I would suggest.

Mr. Randall Garrison: Thank you, Admiral Lloyd, for answering my second question before I even got to ask it. I do appreciate that.

You have money in the supplemental budget for Operation Reassurance, and sometimes I have a little trouble straightening out in my mind the relationship between forward presence and Reassurance.

My question is about the mission in Latvia. Is this the money that's allowing the planning and procedures to go ahead? If so, how are we doing on that? When will we be in the field in Latvia?

Hon. Harjit S. Sajjan: As to the mission, I'll get the deputy minister to talk in detail about exactly where the money is going. I'll just give an outline of where we're at.

The planning for the Latvia mission is going extremely well, in fact we have the most multinational, diverse battle group, which is good, because that's the exact message we want to be able to send to Russia.

The planning is going extremely well. We have a plan in place to have an initial operational capability by June. You do have troops also in Poland right now, as well, who are doing some great training.

• (1555)

Mr. Randall Garrison: As a committee we were in Washington, D.C. One of the things we heard from various different sources was they felt that Russia was sure to test the Trump administration and to test NATO sometime soon.

I think we're in the unique position where all the parties are supportive of this kind of mission that sends a very clear message about all the NATO allies being important. I'm very happy to hear that we're making good progress on that.

On peacekeeping, the promise was made that we would be eventually getting into that. When I go through the estimates from last year and I go through the estimates for next year, and I go through the supplementals, I'm having trouble finding funding for preparations for peacekeeping.

There's a lot of work we have to do, just like for Latvia, in advance of a peacekeeping mission. I wonder where that is, and how we're doing on preparing for peacekeeping.

Hon. Harjit S. Sajjan: For the peace operations, we can't just look at it as going on an operation. We're looking at what Canada's

contribution is to stability in those areas, working with the United Nations and with other coalition partners.

We were hoping to move a little bit faster, but unfortunately, as I've always said, we want to make sure we get the decision right. We have to look at some other factors as well. Here's the greater complexity. Regardless of the place we choose, we have the United Nations that's there. The first thing we want to do is be able to demonstrate how a whole-of-government comprehensive approach works. I'm happy to say that other nations are also coming on board.

So it's putting that into the context of the United Nations, plus we have to look at some of the difficulties the United Nations also brings to operations: troop [*Inaudible—Editor*], sexual violence, all of those things—

Mr. Randall Garrison: My question is really, have we funded this now so that we're making those preparations, no matter where we're going?

Hon. Harjit S. Sajjan: We are moving towards that, but the thing is when it comes to the decision, I want to make sure that we have the contribution and impact for the mission.

Mr. John Forster: Just on the money question, the money is there for people doing the planning and the options analysis now. That's going ahead under the chief, reporting to the minister.

Once the government makes a decision on an operation, there will be money that will come with that through the committee as well in the estimates process.

Mr. Randall Garrison: Great. I must be almost out of time.

The Chair: You've got three seconds.

Mr. Randall Garrison: I just want to sneak in a self-congratulation for our committee. We talked about it. We did a really good job as a team in trying to raise Canada's concerns that some of the things that come out of the White House may inadvertently destabilize our trade and our good military relationship. We tried to raise that concern with them. We said that we don't feel like they're aiming at us, but sometimes they're hitting us.

As a committee, I think we spoke as one voice there and tried to deliver that message.

Hon. Harjit S. Sajjan: I appreciate all the work you did. To all of you, thank you.

The Chair: Thank you for that.

I'm going to give the floor to Mr. Fisher.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you, Minister, for being here.

Thank you, Dom, Ron, John, Claude, and André for joining us as well to provide background detail.

Minister, the government is requesting \$28.5 million to support the deployment of personnel under Operation Reassurance, and Randall touched on this. You suggested this is so that we'll be taking the lead of a NATO group in Latvia. That commitment was made before the U.S. election when we didn't know the outcome. We didn't know who was going to become president.

Since then, we certainly received some mixed signals about NATO during the campaign and since the election, from the new administration. What does a Trump presidency mean for our engagement in NATO in general and for our presence in Europe in particular?

Hon. Harjit S. Sajjan: It's a very good question. I can answer that quite directly, because I had the opportunity to be at the White House with the Prime Minister and other ministers. We discussed this with the President, the vice-president, and Secretary Mattis, who I've met on a number of occasions.

One message has been clear: the U.S. support for NATO is unwavering, and that will always be there.

The other message has been that any time there has been difficult work that needs to be done, Canada has always been there. We have a wonderful relationship, and this is a testament to our troops and our leadership at this level.

I also want to stress that when I say that we have the most diverse multinational battle group, that is a massive message that we're sending. I don't know how else to explain it. We can just send a battle group ourselves, but when you're trying to coordinate with other nations, what we are demonstrating is that we're working together with nations from the east and the south, Spain. That sends an extremely solid message. We are doing a phenomenal job of being able to coordinate this. It is actually quite complex. It's going to send a positive deterrent message to Russia.

• (1600)

Mr. Darren Fisher: Thank you.

Randall mentioned our trip to Washington, D.C., which I thought was very successful. I share the comments that Mr. Garrison made. I think we really had a good feel for the way the Americans view our troops and view us as a country and as a partner.

As far as Latvia goes, are you able to share any detail on timing for Reassurance?

We're also considering going to Latvia, and I think we're talking about September, but I'm not sure.

Hon. Harjit S. Sajjan: For Latvia? For the battle group itself?

Mr. Darren Fisher: It's just something we're throwing around. Are you able to expand a little on this and some of the timing for Reassurance, and whether it's going to be beneficial for us to go?

Hon. Harjit S. Sajjan: I'll tell you about the timing. Work is ongoing right now. We have teams that have gone there and are doing some great work. We have a planning team in Kingston, and some of the other nations were there. The plan is by June to have initial operational capability for all the four battle groups. Then, by late August, I believe, it is going to be full operational capability.

I visited Latvia myself. We've been able to build a wonderful relationship. It's quite extraordinary. I think that when you do have the opportunity to go, you'll be able to see the same things that I have.

Mr. Darren Fisher: So you see that as something beneficial for the committee.

Hon. Harjit S. Sajjan: I definitely think so.

Mr. Darren Fisher: I'll switch gears for just a moment.

There's \$1.9 million for Guatemala for illegal trafficking. Can you just touch on that? We don't hear about Guatemala very often. Is that something that we're going to participate in, or is that something that we're just going to contribute to financially? I found that interesting, and it's not something that we hear about very often.

Hon. Harjit S. Sajjan: I attended the conference of the Americas in Trinidad and Tobago. We don't talk about the work that we do there. When we go to NATO we have a great reputation because of the work that we have been doing for a very long time in the Caribbean, and also in Central America.

For example, with Operation CARIBBE, we've been working with Jamaica and some of the other nations there on counter-terrorism. In Guatemala, it's the same thing. We've been helping with the interdiction of drugs, with Operation CARIBBE. In Guatemala, this command centre is helping them bring up their standards to be able to do their work even more. It is a tremendous success story because we know from the history of that region what has happened there before.

It's not just about investment. It's about the skills that we've been able to work with them on throughout the year that have allowed them to have a command and control complex that they can actually manage. That's the real story behind it.

Mr. Darren Fisher: Those are stories that don't get out very often. They don't get reported.

Hon. Harjit S. Sajjan: I know, and that's why I've directed the department to go out and talk to Canadians as much as possible about this.

The Chair: Mr. Spengemann, you have the floor.

Mr. Sven Spengemann (Mississauga—Lakeshore, Lib.): Thank you very much, Minister and your team. Thank you for being with us again. It's great to have you.

I want to return to Mr. Garrison's questions about recruitment, the \$1-million request. I want to put it in the context of our visit to the United States this week. First of all, I'd like to echo some of the things you said, which we also heard at our level. There is tremendous gratitude for Canadian engagement. Senator John McCain expressed his thanks for our work in Afghanistan, particularly with regard to those women and men who have paid the ultimate price. It's basically a partnership, side by side, on so many different fronts. We heard this across conversations.

The other thing we heard is that we need to do more, so I want to ask about recruitment. When we recruit with a view to making sure that we have enough women and men who are willing to step into harm's way, which is the top of the game, what efforts are you undertaking to make sure that we get people interested in overseas missions, that they are motivated, and that they remain healthy physically and mentally? At the recruitment stage, what kind of messaging are you giving them, and what kind of response are you getting?

Hon. Harjit S. Sajjan: From my personal experience and from talking to folks across Canada, especially when we conducted our defence policy review, the problem with recruitment really hasn't been about getting people. It's been about getting them through the system and reducing the time so that they actually get through. With regard to getting people interested, the interest is there.

We do need to do more work on attracting more women and diverse communities to the military. Because of our global work, it's an operational necessity. It also gives us a much bigger talent pool.

We also need to address retention, which is about how we look after our troops. This is something we have looked at in extreme detail as part of our defence policy review. How are we looking after our troops? How do we make sure they are being looked after? How do we make sure they have certain deployments and enough downtime? How do we make sure the right benefits are there? If we're going to be recruiting more women, how do we make sure that the benefits are also going to be there for them? If a woman decides to have a family, that decision should not be a detriment to her career, and she should have the time to raise a family, just like any other Canadian.

These are things we need to address in a much more realistic way. Regrettably, we know our defence policy is not fully approved through cabinet just yet, but I look forward to discussing that more with you when the opportunity arises.

• (1605)

Mr. Sven Spengemann: Are there specific carve-outs within the \$1-million request to address gender-specific recruitment strategies?

VAdm Ron Lloyd: The chief has specifically directed that we will increase 1% per year in terms of diversity of the workforce. The good news is that this year we have already surpassed the target set by the chief, and we will continue to deliver on that going forward.

The other thing I'd like to reinforce from the minister's points is retention. If you have retention, then you're doing less recruiting. I'd much rather have a 15-year petty officer or sergeant, as opposed to a young man or woman just off the street. Our policies have been, by and large, overcome by events as society has moved on and our policies haven't. The chief has directed, in line with the deputy and the minister, that we take a look at those policies and make sure they fit the 21st century. We're going to be undertaking a great deal of work in the next little bit just to make sure that we can deliver on that.

Mr. Sven Spengemann: Thanks for that. I really appreciate the point on retention. I think that is very important.

On reserve recruitment, is there anything specific we can do to increase recruitment intake and retention among our reserves, and is

there any connection between reserve recruitment and that \$1-million request?

Hon. Harjit S. Sajjan: I have some pretty good experience here and it's something I'm examining at a larger policy level. With regard to the reserves, in some places, demographics allow you to recruit more, but there have been limits. Some units are already filled up. We're looking at where we can actually grow. If the demographic and the population allow us to grow, we're looking at certain units to grow more. In some places, where there are units but they don't have the demographics at this time, we're looking at putting the resources in the right area to allow the reserves to grow.

Mr. Sven Spengemann: Just retaining our flexibility geographically—

VAdm Ron Lloyd: Exactly. We had artificially high establishments in some communities that would never have been able to attract that many people. We've said, okay, let's adjust that, so in our big population centres, in some instances we've increased our establishment by half or up to three-quarters in order to allow them to attract.

The other thing that's important is that when a young Canadian goes to a naval reserve unit, they have to see challenging, rewarding employment opportunities. In the naval reserve—I know that a bit better than the army reserve—we've instituted a new task, which is to provide security capabilities to our deployed ships as an example.

We have over 200 reservists volunteering to take part in that activity this summer, so I'm hoping they come back and they'll tell their friends, who'll tell their friends, and—

Mr. Sven Spengemann: That goes toward retention as well.

VAdm Ron Lloyd: Exactly.

The Chair: Mr. Paul-Hus, go ahead.

[*Translation*]

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Welcome, Mr. Sajjan, gentlemen.

You made an announcement yesterday about the cadets who were the victims of a grenade blast in Valcartier. The initial basic amounts will be paid by cheque to the individuals concerned. I did a rough calculation. There are 155 individuals who will receive \$42,000 each. That is close to \$7 million.

Will that come out of the new budget or this year's budget?

[*English*]

Hon. Harjit S. Sajjan: You're talking about the announcements we made today?

Mr. Pierre Paul-Hus: Yes. The cadets will receive around \$7 million?

Hon. Harjit S. Sajjan: I'm happy to give you the full compensation that we have discussed with the cadet committee. We have approval for...I forget the exact amount now, but it's a very compassionate way of getting closure. That's one of the things moving forward.

• (1610)

[Translation]

Mr. Pierre Paul-Hus: Actually, I would like to know if the amounts allocated to the program will come from this year's budget or next year's. There is no request to increase the budget to pay these people.

[English]

Hon. Harjit S. Sajjan: That was in addition, right?

[Translation]

Mr. John Forster: There is no request for that in the supplementary estimates (C). Next year, we will pay out the amount requested. So the money will come from next year's budget.

Mr. Pierre Paul-Hus: Very good.

Getting back to Operation Reassurance, you have requested \$28,530,000. How will Canada's leadership be perceived in light of this mission and the one we have just renewed in Ukraine? How will the Russians view all that?

[English]

Hon. Harjit S. Sajjan: How are the Russians going to perceive what we're doing because of Ukraine and the Latvia missions?

Mr. Pierre Paul-Hus: That we're putting more money into that.

Hon. Harjit S. Sajjan: The goal is that we're sending a message of unity, that we have solidarity within NATO. The Ukraine mission is not within the NATO context; it's bilateral, but at the same time we're working with our NATO partners, with the U.K., Poland, and the U.S. as well. Even though it may not be under NATO, it's the same nations. The message that we've consistently tried to send is that the illegal annexations of Crimea and what they're doing in Ukraine and Georgia are unacceptable, as are some of their other actions. NATO will always stand together, united. That's the message that we're sending.

We'll also always be open to dialogue, and we want to be able to de-escalate any time the situation arises. That's the goal of this, but we're not going to leave it just to a conversation. We need to make sure that we send a very strong and positive message, and that's what these missions are about.

[Translation]

Mr. Pierre Paul-Hus: Continuing on about this mission, you confirmed that six CF-18s will be assigned to Operation Reassurance. What kind of mission will these aircraft be used for and when will they be used?

[English]

Hon. Harjit S. Sajjan: For the air policing you're talking about, right? For the—

Mr. Pierre Paul-Hus: You will send six—

Hon. Harjit S. Sajjan: One is Iceland first, and then Romania, right? I think Iceland is coming up—

Vadm Ron Lloyd: Let me just see if I can find it, Minister.

Hon. Harjit S. Sajjan: I think Iceland is coming soon, and the one in Romania is going to happen between September and December. It's basically whatever time frame that's worked out with NATO, so Iceland and Romania will be the two.

Mr. Pierre Paul-Hus: What kind of operation are they conducting, and how often?

Hon. Harjit S. Sajjan: It'll be air policing, similar to what they've been doing in the past.

Mr. Pierre Paul-Hus: Okay. I'll read my sheets, as it's going to be easier. One of the first decisions your government made was to withdraw Canada's six CF-18s from the fight against ISIS. Do you believe that our fighter jets contribute more to Canada's national interests by being stationed in Europe rather than Kuwait? Does Russia pose a greater threat to Canada and our allies than ISIS does?

Hon. Harjit S. Sajjan: We can't look at the threats in that way. ISIS poses a threat and we will be contributing in a way that's going to provide value to the coalition.

We're also working within the NATO context regarding what contribution we can make. That's how we've looked at it. For example, the Operation Impact mission, as I discussed with the former coalition commanders and the ground force commander, is about telling us what the threat is. What's your plan for it, and what do you need?

It's not just about offering up and saying what we have available. From that, we decided on the intelligence that was asked for. What type of intelligence? We built the ASIC and put the right tools in there for the coalition, which also put in some intelligence assets.

We talk about tripling the size of the train, advise, and assist mission. It's easy to say, but it's how and when we did that—the types of troops who went in, which units we're training, and exactly what they needed to do.

Now, if you look back, half of Mosul has been taken and the west is being worked on right now. Imagine all the work the coalition had to do coming up to Mosul, and all the preparation had to be done in the north by us. We had to not only train up the right troops but also to conduct operations and the planning for the peshmerga to set it up, so when the coalition, the rest of the operation, arrived, we were ready to go.

I can assure you it went extremely well and that's one of the reasons we've been successful in Mosul right now. It was what the mission needed. NATO is a separate thing. The threat is obviously different and we'll always look at any type of newer missions and what we can contribute.

• (1615)

[Translation]

Mr. Pierre Paul-Hus: Getting back to...

[English]

The Chair: Mr. Paul-Hus, that's your time.

I'm going to give the floor over to Mr. Robillard.

[Translation]

Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.): Thank you, Mr. Chair.

Welcome, Mr. Sajjan.

Welcome to the other witnesses as well.

I will ask my questions in French, of course.

Among the transfers from National Defence to other organizations, there is a transfer to the Department of Indian Affairs and Northern Development to cover costs for services associated with unexploded explosive ordnance, or UXO, for the Tsuu T'ina nation, since their reserve's land was used by the Canadian Armed Forces to conduct training operations from 1908 to 1998.

Having spent a number of years with our first nations, this transfer is important to me.

To date, how much of the reserve's land has been cleared of UXO? Conversely, how much more of the reserve's land needs to be cleared of UXO? What are the associated costs?

[English]

Hon. Harjit S. Sajjan: I'll let the deputy minister answer that one. He has the details on it.

Mr. John Forster: This is an old weapons range that we used near Calgary, which was on first nations land. We have a lot of work to do to clean that up and do it well and quickly. We've been working very closely with the Tsuut'ina First Nation to do that. This is a further installment that will help us some more.

Currently, we think we have about 500 suspected sites of ordnance to remove and 42 sites across Canada. While this request is just for Calgary, the program we have is large, and we have a lot of legacy sites where we have not been good stewards in cleaning up the ordnance. We've spent about \$10 million. We're putting more money into that program in the next few years to accelerate the work, and we'll work in partnership with the affected first nations and train some of their people to do some of the work.

[Translation]

What is the risk of serious or fatal injury by UXO? How is DND working with the Tsuu T'ina nation to prevent serious or fatal injuries by UXO?

[English]

Mr. John Forster: There's no question that you have to do it very carefully, and you do it with highly trained people. Susan can correct me, but I don't believe we've had any injuries to date in the program.

I'll ask Susan to come up. This is Susan Chambers, our acting assistant deputy minister of infrastructure and environment, ADMIE.

Ms. Susan Chambers (Acting Assistant Deputy Minister (Infrastructure and Environment), Department of National Defence): Thank you, Deputy.

[Translation]

Thank you for the question about UXO and the situation in Calgary.

[English]

I am not aware of any situations in the Calgary area where any personnel have been injured. Part of our program is dedicated to public information and a schools program. In the areas across the country where we have identified sites where there may be risk, public outreach addresses that risk to the public, and that's a yearly program for which ADMIE takes responsibility for the delivery.

Mr. Yves Robillard: I suppose the nation is aware of this.

Ms. Susan Chambers: Yes, as was noted in the supplementary estimates, there is a dedicated liaison officer in the nation and there is considerable awareness within the Tsuut'ina. I've met the chief from the Tsuut'ina band as well, and there is very good communication between us and the first nation. This is a priority in a number of first nations across the country as well.

• (1620)

The Chair: Mr. Bezan.

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Thank you, Minister and officials, for joining us today. It's always good to see Admiral Lloyd and Deputy Minister Forster and everybody else. I'm hoping that everybody will make themselves available as well for the main estimates when they come out when we can get into the teeth of next year's budget. I want to thank you, Minister, and I enjoy hearing others at the table here.

The announcement today on the Valcartier accident was the correct measure to deal with the victims and the families in a compassionate way. I know that the ombudsman has made four recommendations on how to make sure we have programming in place in the future, God forbid this ever happens again. Are you going to be acting on those recommendations as they apply to future programming? We already talked about the Valcartier incident, so it is relevant. It's on the record.

Hon. Harjit S. Sajjan: I'm happy to mention it. When it comes to the cadets and this incident, this was about continuing the work that everybody has done in bringing it to a compassionate closure.

Mr. James Bezan: Yes, I agree 100%.

Hon. Harjit S. Sajjan: At the same time, though, we have to look at the lessons from the tragic event and where the cadet program has gone since then. We have to look where the cadet program is at; it's not where it was. It is the best leadership program in the country. There was a reason it was taken away; they don't work on military weapons anymore. It's a leadership program, so there is a completely different system in place. As part of the defence policy review, we are looking at the cadet program and how we can make it better, making sure that the right people who are dealing with the cadets are well trained, the parents are more involved, and that we have the right programs in place for these things. The first thing we want to do is make sure we prevent any type of injury to our cadets.

Mr. James Bezan: Thank you, Minister. I appreciate that.

I also appreciate that you're not going to be using the Phoenix pay system to pay our military. I think to stick with the Guardian system and update it is a great idea. The Guardian system will be able to handle.... I appreciate that there's all-party support for the motion that we brought forward in the House today on the retroactive pay and benefits under hardship and risk for our troops who are deployed in Kuwait. Will the Guardian system be able to handle the retroactive capability to go back to September 1, 2016, and reimburse all those troops who were shorted that money?

Hon. Harjit S. Sajjan: Regardless of the system, at the end of the day it's making sure that the right payments are made.

Mr. James Bezan: That's perfect. Thank you, sir.

I want to also follow up on the recruiting discussion and the \$1 million. When we're looking down the road, as was mentioned, we've talked readiness here as well as with our American partners. Recruiting is a big part of this now, and making sure that attrition isn't eating away at our capability from the standpoint of manpower.

Do you have specific targets as to what trades and professions have shortages in the army and navy particularly, but also the air force, and how you're going to target them through the advertising program and other recruitment measures?

Hon. Harjit S. Sajjan: Yes, but I think a much more thorough discussion will be had after we announce a new defence policy. Yes, absolutely, we will be targeting not just service but also trades. We need to look at technicians and mechanics, for example. We need to look at making sure we have enough people working on pensions. We're looking into all these things, and when I talk about efficient forces, it's making sure we have all the right people. If we spend all our money on the team, we've got to make sure all the right supportive measures are going to be in place, and we have to target that as well.

VAdm Ron Lloyd: We have a personnel process, whereby annually we take a look at all the occupations and then we take a look at the overall health of each occupation. From there we develop a strategic intake plan, and we take a look at how many people we're going to enrol in the Canadian Armed Forces and those are allocated to higher-priority occupations where trades are unhealthy.

Part and parcel of what we're trying to do through this advertising campaign is to identify those trades that aren't as healthy as we would like them to be in anticipation that Canadians will want to enrol in the Canadian Armed Forces in those occupations.

• (1625)

The Chair: Mr. Bezan, you have ten seconds.

Mr. James Bezan: I'll just put this on the record. One of the things we heard down in Washington was that they're coming into a really big crunch for pilots, and I suspect the same will happen here with high retirement levels coming out of the commercial airlines. Of course, their main recruiting is from the air force. I'm sure that's something that's on your radar.

Hon. Harjit S. Sajjan: Absolutely.

Mr. James Bezan: We already are dealing with some shortages and we need to get them—

Hon. Harjit S. Sajjan: It's in other professions too.

The Chair: Thank you.

Welcome to the defence committee, Mr. Ruimy. You have the floor.

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Thank you.

It's a privilege to be here today. It's my first time subbing in and it's a privilege. It's also a little bittersweet for me.

Before I get to my question, I just want to take a moment to thank you for today's announcements regarding the 1974 grenade blast in Valcartier, in which six cadets lost their lives. I was a young cadet in The Royal Montreal Regiment when we found out that two of our own were among the dead. It's something I've been following throughout the years, and I have felt the sadness and the frustration of all of those involved. Today, I would just like to say thank you for getting it done. I'm sure everybody appreciates that.

I will move on to my question. I see there are some transfers between National Defence and Global Affairs Canada to provide support to staff at missions abroad. Where are these positions located and what roles would they be fulfilling?

Hon. Harjit S. Sajjan: As much as I'd like to take credit for it, this is not about our government; this not about the ombudsman; this is not about any party or any particular person. I appreciate that I just had the opportunity to finish this file in an appropriate way.

I want to highlight one person who did not get highlighted. He is not a cadet. He is a sergeant who was serving. I got to meet him afterwards and he pinned this on me today. He's the one who, I was told by the cadet committee, really championed the cause.

I will just mention a point. This is also very important, because it's about lessons for the future. We talk about just righting a wrong, but I got to meet with the cadets and talk about what these issues were. They're adults now. They were kids at one time, and that's what happened to them. They were ordered not to talk to anybody about it. We've learned from this. This is not just about the money, as they said; this is about the process we take and about making sure they get compassionate closure. I'm very happy that all members from all parties have really supported this.

To answer your question, when we look at the wider aspect, for us to be able to have engagement in the world and have a better understanding militarily, when we're talking about the leadership that we have, we have to have a footprint outside in key areas, and that's what this program represents. It allows us to have situational awareness and to have influence as well. We had to rebuild some of this, and a little more work needs to be done.

Do you want to take it?

Mr. John Forster: Sure, I'm happy to.

The amount in (C) is for three positions. Every time we post somebody abroad, they are housed and hosted by the embassy, so we pay some money to GAC for the costs of that support. In the case of supplementary estimates (C), there's a staff officer position in Washington, one in Jakarta, and one in Ankara, which is the last. There were also members of the committee who were called. There were several in supplementary estimates (B) that we also put in. It's part of the military engagement program to put people around the world so that we have good access to militaries around the world and good intelligence coming back.

Mr. Dan Ruimy: Thank you.

Go ahead.

Ms. Leona Alleslev: Thank you so much for sharing with me.

I'd like to move, if we could, to the reallocation of the \$48.2 million from capital and grants and contributions to operating. There's no question that we are in the process of looking at a lot of recapitalization. That's really critical money, and every year lost, of course, is something we need to focus on. Can you shed some light on why that is, what was that \$39 million for capital supposed to be spent on, and what kind of processes do we need to put in place to mitigate that in the future?

• (1630)

Hon. Harjit S. Sajjan: Before I go to the DM on this one, I just want to say that when we look at this, we want to make sure that every dollar we get in defence will have an impact. The last thing we want is lapsing money. I want to commend the team for the great work that everyone here has done. It's been tremendous work, and very innovative as well.

DM Forster.

The Chair: Mr. Forster, we are almost out of time, but I think we all want to hear this. Then I think we'll have time to get to Mr. Garrison.

After Mr. Garrison, that will be it for questions, if that's acceptable to everyone? Okay.

Mr. John Forster: I can go really fast.

Three projects make up the \$39 million. The first is for the maritime helicopter project. Originally, Sikorsky was to buy all of the equipment. Some equipment that is controlled by the U.S. government they will only sell to us, so we get a credit from Sikorsky. Part of that money coming back is a credit the company owes us for things we bought from the U.S.

The \$800,000 is for our move to Carling campus. As you've probably read, we are about three months behind schedule, so we won't spend all of our money this year, and that will go.

Then the very small amount of \$1 million is for a small-boat threat project. It's only \$1 million on a larger project. All of that money will be spent. None of it is being lost. We're trying to drive down our lapses considerably year over year.

The Chair: Mr. Garrison.

Mr. Randall Garrison: Great. Thanks very much. It's good to have one last go-around here.

When we were in Washington, one of the things that was talked about was the way in which people account for their expenditures in the military and the talk of the 2% of GDP demand from the United States. I was wondering, given that we're dealing with estimates, whether we've given any thought to counting our expenditures the way some other countries do, which would make us get credit for what we actually do.

That's really my question. It's not about whether we're fudging the figures or not. It's that different countries count different ways. Some are getting credit for a bigger effort than Canada because we're not accounting for things the same way.

I just wonder if there's been any attention to that from the minister.

Hon. Harjit S. Sajjan: Absolutely. In fact, this is something that

Ms. Leona Alleslev: We need to ask whether that's relevant to the supplementaries.

Hon. Harjit S. Sajjan: I could answer it.

The Chair: I'll allow it if the minister is willing to answer it.

Hon. Harjit S. Sajjan: I'm okay with it. It's fine. Thank you.

When we launched the defence policy review, this is something we looked at in terms of where we were and where we wanted to go. The question of 2% comes up. It was a decision made in the Rio summit.

The first thing I wanted to do was, one, compare apples to apples. We looked at the formula we were using. At the same time, we have to be cognizant that different nations use a different formula. Right now the deputy minister is working with our closest partners to look at exactly the formula they're using so we can have a good comparison.

For the defence policy review, I needed to make sure I had a good comparison for making these decisions. When we went about deciding on our defence policy, it wasn't based on numbers, or 2%, because that doesn't give you the output. We based it on what output we want for our military for the next 20 years in Canada, in North American security, and in international engagements. From that you get the capabilities. Remember, I also mentioned the laundry list, the shopping list of things. In terms of capabilities, what are those capabilities that are new capabilities, and how do we need to maintain them up to 20 years as well? What are the types of people we need, how many, and in what trades? It was a very thorough analysis.

From that, what you get is a number, and from that number is what we will get. Then, at the end of the day, no one can say that we don't have the output, because the 2% aspiration was about having output for nations, that they do more for defence.

Now the deputy minister will work with the right formula to make sure that we are in line with our allies.

The Chair: Thank you for that.

This will only take a minute, but it's something that we have to do.

We'll now vote on the supplementary estimates (C).

COMMUNICATIONS SECURITY ESTABLISHMENT

Budgetary

Vote 1c—Program expenditures.....\$2,592,801

(Vote 1c agreed to)

DEPARTMENT OF NATIONAL DEFENCE

Vote 1c—Operating expenses.....\$29,530,000

Vote 5c—Capital expenditures.....\$18,775

(Votes 1c and 5c agreed to)

The Chair: Shall the chair report the supplementary estimates (C) 2016-17 to the House?

Some hon. members: Agreed.

The Chair: Minister and departmental officials, thank you very much for coming.

Members, thank you very much. We'll go in camera for the remainder of our meeting.

[Proceedings continue in camera]

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