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Mr. Stephen Fuhr

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• (0845)

[English]

The Chair (Mr. Stephen Fuhr (Kelowna—Lake Country, Lib.)): Good morning, everybody. Minister, members of the Canadian Forces, departmental officials, welcome to the defence committee this morning to discuss the supplementary estimates. Thank you for coming.

Minister, I'm going to give you a few minutes to deliver your opening remarks, and then we'll get into questions.

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

Members of the standing committee, it's great to see all of you again. *Bonjour*.

Today I'm pleased to be here to discuss the supplementary estimates (C) for 2017-18 and the interim estimates for 2018-19 for the Department of National Defence and the Communications Security Establishment.

Here with me, as always, is my deputy minister, Jody Thomas; Lieutenant-General Parent, Acting Vice-Chief of the Defence Staff; the Chief of the Communications Security Establishment, Greta Bossenmaier; and key senior members of the defence team.

Before getting to the main subject of today's gathering, let me say a few words about my recent announcement of our government's decision to deploy Canadian personnel to Mali in support of the United Nations mission in Mali.

In response to a formal request from the United Nations, Canada will deploy an aviation task force of medium-utility and armed helicopters for up to a 12-month period.

This contribution is aligned with the government's renewed commitment to the United Nations peace operations and "smart pledge" approach, and it will address a critical capability requirement for effective stabilization of Mali and the wider Sahel.

The Canadian Armed Forces have been instructed to begin their planning for this.

Turning now to the supplementary estimates (C), the department has requested approximately \$780 million to cover costs to be incurred during the remainder of the current fiscal year. Some of that funding will contribute directly to our people, and that is how I would like to begin my remarks today.

We call upon Canadian Armed Forces personnel for some of the most difficult tasks needed to keep Canada and Canadians safe and secure. We ask them to deploy for very long periods of time, to leave their families and the comforts of home. Every day, we rely on their loyalty, their strength, their courage. They know that they may face unique stressors during and after their military careers, but they don the uniform to keep Canada safe and contribute to a more peaceful world. They are steadfast in their service to Canadians, and so must we be in supporting them. That is why caring for the women and men of our armed forces is the primary focus of our new defence policy—"Strong, Secure, Engaged", SSE—and a part of these supplementary estimates as well.

As part of these estimates, we are requesting \$17.5 million for the DND/CAF for the total health and wellness strategy. This initiative will give Canadian Armed Forces members access to a comprehensive, first-rate health care system. The strategy addresses both physical and mental well-being, and it focuses on promoting healthy behaviours both in the workplace and at home.

We are also ensuring our people work in healthy environments, free of harassment. You are well aware of Operation Honour, the Canadian Armed Forces mission to eliminate harmful and inappropriate sexual behaviour in the military. National Defence is also doing its best to ensure members of the armed forces and their families live in a healthy environment as well. That is why we are seeking \$800,000 to increase support to family crisis teams and to members of the Canadian Armed Forces and their families affected by domestic violence.

As you may recall, the government has also announced its joint CAF/Veterans Affairs suicide prevention strategy, as well as our intention to introduce a pension for life.

Only by providing the Canadian Armed Forces with the utmost care and treatment can we expect them to continue doing the invaluable work they are doing. They deserve our unwavering support.

Turning now to SSE, in supplementary estimates (C), we are requesting \$435.4 million in additional funding to continue implementing the defence policy. Of that amount, \$417.8 million will go to support SSE's overall program activities. These are activities like operations and readiness training, CAF recruitment and retention programs, and cybersecurity initiatives. These are baseline activities and requirements—things our department and armed forces need to do day to day.

● (0850)

The \$100,000 we are requesting for the defence engagement program is an important step toward meeting our policy commitment to bolster academic outreach. Through conferences, round tables, and workshops the DEP will inform and challenge the policy assumptions and thinking of the department and the Canadian Armed Forces. It will do this while fostering the next generation of Canadian security and defence scholars in the process.

Moving beyond SSE, we are requesting \$277.6 million for CAF international operations. As I believe everyone here understands, our safety at home requires our engagement in the world. More than 1,800 Canadian military personnel are deployed on 16 operations worldwide. These include Latvia, where the Canadian Armed Forces are leading a battle group as part of NATO's enhanced forward presence; Iraq, where the Canadian Armed Forces are contributing to the global coalition to counter Daesh; and Ukraine, where the Canadian Armed Forces have trained over 6,200 Ukrainian soldiers. New funding in these estimates for operations Reassurance, Impact, Unifier, and Artemis will ensure Canada maintains its commitment to international stability and security.

In terms of other line items, National Defence is carrying forward \$12.2 million from the last fiscal year as contributions toward Canada's share of the NATO military budget. NATO is a cornerstone of our national security. In funding it, we are bolstering the stability of the transatlantic region to which Canada belongs. NATO offers us more than security. It gives us access to military equipment and infrastructure. It gives us an additional source of strategic information and analysis. It gives us an equal voice in important decisions that affect security and stability in North America, Europe, and regions beyond.

Our commitment to NATO remains ironclad. The recently released NATO annual report for 2017 shows that Canada has increased its defence spending by almost 5%. We continue to make investments in Canadian security, and to work with our allies to support a peaceful and prosperous world.

Essential to our stability and security is ensuring that the Canadian Armed Forces have modern facilities and equipment. We have been criticized in the past for how quickly we are, or are not, spending money on these projects, but major acquisitions are complex, and they take time.

Criticisms notwithstanding, the department is making progress on a number of major purchases. Notably, we are making the most significant investment in decades in the Royal Canadian Air Force. The \$5.9 million we are requesting in capital funding will go toward both running the competition for 88 advanced fighter aircraft to replace the current fleet, and toward purchasing fighter aircraft and parts from Australia as an interim measure.

Let me also touch briefly on a few of the smaller line items.

More than half of our current infrastructure is more than 50 years old, which is why we are seeking \$6.2 million for 10 construction and repair projects on CAF bases and other defence properties.

As announced in our defence policy, we are also requesting \$6.2 million to launch IDEaS, “innovation for defence excellence and security”. The program will encourage private sector innovators, big and small, to try their hand at providing the armed forces with solutions to complex defence challenges.

These estimates also include \$9.7 million for National Defence's role in Canada's hosting of the G7 summit, where the armed forces will deploy more than 2,000 personnel in support of the Royal Canadian Mounted Police.

Finally, I would like to say a few words about the transfers in these estimates. National Defence will be receiving \$3.9 million in transfers from other departments, and transferring \$8.5 million to other departments. One notable example is the transfer of \$5.8 million to Global Affairs in support of the counterterrorism and capacity-building program. This program provides countries, such as Lebanon and Jordan, with the tools, technology, and equipment for confronting terrorism, as well as training programs for their personnel and support in building much needed infrastructure.

On a closing note, I will address the interim estimates. The interim estimates are part of the government's commitment to provide more coherent information to Parliament. They enhance the transparency of the review process, and align the federal budget and estimates.

CSE requires \$147 million to cover costs related to program expenditures for the first three months of the 2018-19 fiscal year. With these funds, CSE will continue to conduct its critical foreign intelligence and cybersecurity activities.

● (0855)

DND requires \$4.8 billion for the same period. These funds will allow us to cover the day-to-day operating costs—salaries, utilities, and maintenance—while continuing to implement the major initiatives I have mentioned. This \$4.8 billion represents one quarter of the total main estimates that will be finalized and tabled by mid-April.

The Department of National Defence and the Canadian Armed Forces are committed to ensuring that the money we manage has a positive impact on our most important asset, the women and men in uniform. I am very proud of the historic investments we are delivering through our defence policy. We will continue building on both the government's priorities and those of the Canadian Armed Forces through smart investments. I just want to say that we are just getting started.

Thank you very much. I'm open to questions.

The Chair: Thank you, Minister.

My understanding is that we have you for an hour and department officials for the second hour. I'm going to have to keep time tight, and I understand some of the questions will be passed on to other people to help support you in answers.

Having said that, I'm going to give the first seven-minute question to Mr. Robillard.

[*Translation*]

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

Welcome to you, Minister Sajjan, and to all your staff.

In keeping with the new defence policy, Strong, Secure, Engaged, last week you announced the full-time summer employment program for Canadian Army reservists. As you know, I am very interested in the cadets.

Can you tell us about this program, its benefits, and how it works, for new and old reservists alike?

[*English*]

Hon. Harjit S. Sajjan: I was very proud to announce the program for the reserves, a commitment of summer employment for the first four years of a reservist's career. I did this in Kelowna with the British Columbia Dragoons, which is a regiment that I know very well. This sends a very positive message to people who want to join the reserves. It shows a value to the commitment that they're making. More importantly, it allows a very predictable sense for them, because a lot of the people who join the reserves are students in university and trade schools, and it gives them the money to plan and finish out their career. On average, sometimes a degree or training will take about four years, so this gives them that predictability.

Equally important is the cadet program. At the British Columbia Dragoons, I got to meet some cadets as well, and I reiterated the message that I always send every time I see cadets or speak about them, which is that our cadet program is the best leadership program in the country. We are looking at ways to enhance that.

One important aspect that I'm looking at immediately is how we can, in the Canadian Armed Forces, increase the number of opportunities for cadets to go to summer camps, because not everybody gets to go to summer camps. People get selected. Cuts in the past have reduced the ability for people to go to these camps, and I want to make sure that we give them an opportunity.

We have a little bit more work to do on this. I think one of the key priorities for me is how we can increase that, because I think that will have a significant impact. It goes in line with what we're trying to do

with the announcement as well, which is to have more reservists working in the summer.

Mr. Yves Robillard: Thank you, Minister.

[*Translation*]

Through its Strong, Secure, Engaged defence policy, the government is making new efforts to promote the health and resilience of our service men and women. In this regard, in the supplementary estimates, the government requests that \$230,000 be transferred to Shared Services Canada for the construction of a new health centre at Canadian Forces Base Saint-Jean, in Quebec.

Could the Minister of National Defence elaborate on the need for this important project and give us a progress update?

● (0900)

[*English*]

Hon. Harjit S. Sajjan: I'm going to turn to my deputy minister to answer this question and give you the details.

Ms. Jody Thomas (Deputy Minister, Department of National Defence): We are heavily investing in two aspects. The first is the reopening of Collège militaire royal de Saint-Jean, where we need to have health care facilities that are equal to what we have on the campus of the Royal Military College in Kingston.

Further, "Strong, Secure, Engaged" provides the funding long term for advanced medical care for serving members, including mental health care, physical care, physical fitness, and psychological testing to ensure that they're mentally well. This project is part of a recapitalization initiative that is part of health care facilities across the country.

Collège militaire royal de Saint-Jean is critically important because we will be accepting new students in the degree-granting program this year.

[*Translation*]

Mr. Yves Robillard: National Defence is seeking close to \$6.2 million for projects on Canadian Armed Forces bases and at other National Defence facilities.

Can you provide further details about the projects that money would go to? Which Canadian Armed Forces bases and other facilities would receive the requested funding and why?

[*English*]

Hon. Harjit S. Sajjan: We are making significant investments in infrastructure at defence facilities across the country. This will provide our military with the facilities it needs to continue training and operating successfully. As part of the federal infrastructure investment program, we will be spending \$452 million on infrastructure project upgrades across the country, and the programs carried forward will be \$6.2 million, from 2016 to 2017.

Ten projects will be completed by the end of March. They range in scope from health and safety repairs to airfield and hangar repairs, to military housing repairs, to recapitalization, as well as heating and ventilation systems.

As we talk about particular projects, when I go to the various bases, I look at the main priorities of the buildings—the housing, the headquarters where people actually work, and the facilities for their health centres—and at what state they're in.

In the last two years, we've made significant investments in these programs, because the maintenance and upkeep was not there. As you know, if you do not have the ability to continually modernize these buildings, there comes a time when they cannot be repaired. We have this situation now across Canada, and these investments are going to go a long way to modernize our facilities.

The Chair: Mr. Bezan.

Mr. James Bezan (Selkirk—Interlake—Eastman, CPC): Thank you, Mr. Chair, and thank you, Minister, for being here today. I welcome the government officials from National Defence and the Canadian Armed Forces.

In the last election, the Liberal Party said, “We will not lapse military spending from year to year.” Is that correct, Minister? Yes or no.

Hon. Harjit S. Sajjan: We've been working...Part of our plan is to be very fiscally responsible with our money to make sure the money that's invested in defence is done wisely.

Mr. James Bezan: But I mean in this current fiscal year—

Hon. Harjit S. Sajjan: Please allow me to answer that question, because I will need to put this into context, as well.

To make sure that we manage the money, it requires the appropriate people to manage the various projects. We are right now starting to rebuild on this.

Currently, we don't have any lapse in funding. That's the money that we're going to be losing.

I'd like to turn it to—

Mr. James Bezan: Actually, I only have so much time, and I'd like to get a few things on the record.

David Perry is a defence analyst, and whom we all respect greatly. There's been another analysis done that says that National Defence is on track to fall billions short of the spending outlined in the policy, the defence policy of “Strong, Secure, Engaged”. It further stated that while \$6 billion in capital investments was forecast by DND, it was allocated only \$4 billion this year. There's no extra \$2 billion in the supplementary estimates.

Is that lapsed funding?

• (0905)

Hon. Harjit S. Sajjan: I'm glad you asked that question.

We would love to move on projects as quickly as possible. Yes, we would have liked to do the full \$6 billion.

The problem we also faced was that certain projects weren't ready. We're not going to write a cheque if the delivery of a certain project

is not going to be there. We also had, when we were trying to improve our procurement system, some projects we could not move forward with. Now we need to put this into context.

If you recall, during your time in government, there was the strategic review and draft, which cut a lot of the funding and prevented the procurement department from increasing their numbers. As you know, if you increase the number of projects, you need the people with the right expertise to move them forward. As we're increasing our numbers now, we will have the right number of people to move these projects forward.

We have more work to do. We need to put the key people in place. This is something that we are working toward. We have significant improvements on this, but there is a lot more work to be done.

Mr. James Bezan: Excuse me.

Hon. Harjit S. Sajjan: Year by year, we will get better at this, but one of the things that's really important—

Mr. James Bezan: Sorry.

Hon. Harjit S. Sajjan: This is a very important piece that I have to mention here.

You want me to answer the question.

Mr. James Bezan: This is my time.

The Chair: Manage your time.

Mr. James Bezan: Excuse me, Minister.

Hon. Harjit S. Sajjan: You can't cut me off when I'm trying to answer the question for you, right?

Mr. James Bezan: I know, but instead of just setting out the context let's get down to some of the details, because according to David Perry and others there's \$2 billion in unspent money here. I see in the budget there's only \$1 billion, \$900 million, that's actually getting carried forward. There's over \$1 billion worth of money here that isn't being allocated. Again, what's not getting funded out of “Strong, Secure, Engaged”?

Hon. Harjit S. Sajjan: Everything in “Strong, Secure, Engaged” is fully funded. What you see here is certain projects, and if they're not mature enough to move them forward we can't just spend money on projects that haven't matured. These projects will move forward. The timing just hasn't been done. I know where you're trying to go with this and the points you are making as well, but I can assure you that for “Strong, Secure, Engaged” all the projects are fully funded.

Mr. James Bezan: Okay, so let's have more talk about those projects—

Hon. Harjit S. Sajjan: As we have more people to manage those projects, we will be able to improve our time.

Mr. James Bezan: We as a committee here want to know what's funded because the budget was almost mute on national defence. There is no section on it at all. According to the Parliamentary Budget Officer—and he looked at this and noted it for parliamentarians—nowhere in the 2018 budget did the government provide a detailed and current reconciliation between the “Strong, Secure, Engaged” framework and the budget forecast.

He says that National Defence isn't giving the reconciliation, and parliamentarians have no idea how taxpayer dollars are being used.

Where's the transparency here, Minister? We want to know what the plan is. You have a 20-year plan. We haven't seen it. Will you table that plan?

Hon. Harjit S. Sajjan: In fact, actually the plan that we've.... For example, on what you've been stating that it's not in the budget, this is one of the reasons why when we did SSE we did it independently, and we have fully funded the defence policy as a government. It's been outlined in the fiscal framework. We will be outlining...in terms of our plan, and it will come out in due course in the mains as well what our plan will be for SSE.

Mr. James Bezan: Minister, you said yourself that you want to make sure that you and the government can be held accountable by Canadians, by parliamentarians. But if we can't see the plan.... You say it's fully costed, but we can't see the plan. Will you give us the plan on how you're going to actually carry out the defence strategy "Strong, Secure, Engaged"? How are you going to spend the money over the next 20 years? How you will use the taxpayers' money, and ultimately how can we help you do a better job on making those expenses?

Hon. Harjit S. Sajjan: That will be coming out in the main estimates. On the defence investment plan, we're looking at launching that in May of this year.

Mr. James Bezan: The Parliamentary Budget Officer asked for the 20-year plan. You gave it to him after much duress. Will you be giving the same information that you gave to the Parliamentary Budget Officer to this committee so that we can analyze it?

Hon. Harjit S. Sajjan: In our defence policy, I committed to outlining the defence investment plan, and we are going to be communicating the defence investment plan in May 2018. One thing I can assure you is that this is going to be done. Keep in mind, the defence policy was just put into place last year. It takes time for the department to be able to put this plan together. If you just make quick, knee-jerk reaction decisions, this is where you mess things up.

I want to make sure that if we have a plan, number one, it's also going to work and it has the flexibility to move forward, so that we can actually spend the money and move projects forward. It's all about recruiting the right people to get this done. A lot of work needs to be done to fill those gaps that were left.

● (0910)

Mr. James Bezan: Minister, I wanted to just ask one final question before I run out of time here and it's on the replacement of our CF-18s.

Hon. Harjit S. Sajjan: Yes.

Mr. James Bezan: You're always talking about capability gaps. One of the concerns that I have brought to light is that we have a huge shortfall right now in the number of fighter pilots in the Canadian Armed Forces. It's pushing upwards to 70 pilots who have left with no replacements coming on stream to fill that type of attrition.

Is that the capability gap that we have now?

Hon. Harjit S. Sajjan: We identified the need to have more pilots. For example, from your commitment for 65 aircraft, we've

gone to 88. We're going to need more pilots. Even last year, before the defence policy came out, we knew we were going to need more pilots and directed the air force to start recruiting.

Mr. James Bezan: I'm going to have to leave it there.

Hon. Harjit S. Sajjan: Not just the pilots, we have to make there are the maintenance folks as well. This is something that we're seized with.

The Chair: I'm going to leave it there.

MP Garrison.

Mr. Randall Garrison (Esquimalt—Saanich—Sooke, NDP): Thanks very much, Mr. Chair, and thank you, Minister, for being here today.

I want to focus on estimates, but before I do, I want to make one remark regarding the Mali peacekeeping mission, which you've mentioned, and that is, of course, that the New Democrats welcome a commitment to peacekeeping internationally. Even if the promise doesn't seem to be exactly what it was before, we believe there's a role for Canada in supporting efforts for peace and stability in Mali, and we hope there will be an agreement among the parties for further debate in the House.

Let me turn to more estimates-related questions. You probably have guessed that the first thing I'll ask you about is the last thing I asked you about when you were here the last time, and that's the Phoenix pay system. I know you're not the minister responsible for the system, but as the defence minister, in terms of all your civilian employees we're still seeing very severe problems in morale, recruitment, and retention as a result of the pay problems. I asked you at the end of November, and you promised to fix the cases for three individuals. They were fairly egregious. That finally did happen, but it took months. Despite your good intentions, it took months to do that.

After I asked you about it in the House of Commons, Minister Qualtrough's office approached me and said to give them our worst cases. We gave them 14 cases on February 2. Nothing has happened on any of those cases.

My question for you as the minister is, what is it that you can do as the minister to help out the civilian employees of DND—in my riding, literally hundreds of them—who are still suffering from incorrect pay? There are impacts on their child benefits and impacts on their tax systems. What are you, as minister, able to do to assist them with these problems?

Hon. Harjit S. Sajjan: First of all, I completely agree with you that this is unacceptable and that we have a lot more work to do on this. Every department is affected.

We do have a significant number of employees, and we will go at this case by case. For some of the names, I'll have the deputy minister answer, because we actually have addressed them.

There's one thing I'll ask of you. Bringing it up in the House is not a problem. If you want to do that, it's your prerogative, but please email me directly so I'll have access to that, or send it to me in the quickest way possible. I can assure you that I will have those names given directly to the deputy minister so that we can address it. I know that he works on this on a regular basis. I get a weekly update on this.

Jody.

Mr. Randall Garrison: I'm sorry, but I'm going to cut off the deputy minister. Can I just say that with the band-aid approach here you can't fix this egregious case by egregious case? They continue to pile up. It's not that there are no new cases. I appreciate your offer, and we will take you up on every one of those. You will be surprised at how many hundreds we have to give you.

I want to turn now to another outstanding issue here at committee, which we've asked you about before. There was a unanimous motion in this committee to ask you to allow the military ombudsman to revise the service records for LGBTQ service people who were dismissed with less than honourable discharges.

Before the apology, I was given an indication that we had to wait for the apology in the House of Commons. We had the apology last November. Can you tell us when you as minister will authorize the military ombudsman to revise those records? What other process do you see? We're now almost six months beyond the apology and there's still no progress on revising those service records.

Hon. Harjit S. Sajjan: One thing I can assure you of is that we are committed to this, and I will get you a much more thorough update on this. We did want to get the apology done. I think you can agree on how sincere it actually was; you wouldn't doubt me on that. I will get back to you with a more thorough answer on this, but the process itself, I can assure you, is being worked on.

Mr. Randall Garrison: With respect, Mr. Minister, six months after the apology I would hope that we're somewhere closer to actually getting this process under way than you seem to indicate. I'm not asking for a progress report. I'm asking when the process will start.

• (0915)

Hon. Harjit S. Sajjan: I'll turn to Jody.

Ms. Jody Thomas: The process is under way to look at every record of every person affected by the LGBTQ2 apology. It is a case-by-case review of their records through our privacy process. It then moves on to the second stage, where we're looking at service records and how to compensate people through the class action suit. It's a very onerous and lengthy process that we have to get right, but it has begun.

Mr. Randall Garrison: I would argue that there's certainly no need to wait for the class action lawsuit to revise the service records. It's the failure to revise service records that denies people certain veterans' benefits. More important, it denies them recognition for their important service to the country, and it actually in many cases excludes them from participating in the military community through things like the Legion. There's an urgency here that's separate from the compensation.

Ms. Jody Thomas: Absolutely. We have to look at every individual's case, change the record, and resubmit it into the system,

so that is going on on a case-by-case basis, not because we're waiting but because you can't do it in bulk. Each person is an individual, and you have to adjust the service details person by person.

Mr. Randall Garrison: You're doing that now.

Hon. Harjit S. Sajjan: Yes, not only a commitment but we are actually working on this. We need to make sure it's done well, right?

Mr. Randall Garrison: I'm disappointed that Admiral Bennett's not here with us this morning to talk about Operation Honour in detail. First I want to acknowledge the \$800,000 allocated for families affected by domestic violence. I think that's an important initiative in the budget.

We have heard, or at least I have heard locally, lots of concerns about that the resources provided to make sure that Operation Honour—which I'm not criticising at all as an initiative—is effective down through all the ranks aren't adequate, that there's not enough money for the training, and that there's not enough money to make sure that the survivors' support programs are in place.

I wonder what progress we're making in this budget on providing more resources to Operation Honour.

Hon. Harjit S. Sajjan: Operation Honour, in terms of what we're trying to achieve, is not just strictly what the operation itself is. It's about looking at the Canadian Armed Forces as a whole. Under our defence policy, the people are our number one priority. This all goes into it. This is not just about addressing each case but also about making sure that we create the environment from the time we recruit and about how things are going to be done.

We will make sure—it's not just about Operation Honour. How do we create the appropriate environment in the Canadian Armed Forces to allow everybody to succeed in a harassment-free workplace?

Mr. Randall Garrison: Part of that, of course—

The Chair: It's right on seven minutes, so I'm going to have to yield the floor to MP Spengemann.

Mr. Sven Spengemann (Mississauga—Lakeshore, Lib.): Thank you, Mr. Chair.

Minister, it's great to have you back along with your senior leadership team. Welcome.

You've just returned from Iraq and Kuwait, and you met with key officials, allies, and Canadian military forces and staff to get an update on the progress in the region.

I am wondering if you can convey to the committee how, in your assessment, Operation Impact is going and how the funding that's requested is going to enable us to carry out our responsibilities under that mission.

Hon. Harjit S. Sajjan: I had the privilege of returning from Kuwait and Iraq, where I got to not only thank our Canadian Armed Forces members but also meet with the key leadership.

Progress has actually gone better than planned. In terms of the campaign plan, we're actually about eight months ahead of what we originally planned, which is a phenomenal good-news story.

What this means is that Daesh right now cannot hold ground, which is a good thing. Now we're doing the assessment of what we need to do to make sure the Iraqi security forces have the right training capacity to hold on to what they have, but also more importantly, to not allow themselves to be put into a situation like they have had in the past.

We're looking at capacity-building needs and at preventing any resurgence of Daesh. I got to speak with General Funk, the U.S. commander on the ground. Right now, General Vance is actually looking at areas where we can do the capacity building, and at where NATO fits in, and also at the wider picture of making sure that there is political stability and unity in the country.

A lot of work has been done, and now we're at the stage of making sure that we do a better assessment to make sure we align our assets. I have extended the role to hospitals, because that's a need of the coalition. In terms of capacity building and preventing Daesh from resurging, we are doing some training right now and working with partner forces, but a much more thorough assessment is being done at the moment. When I have been briefed on that, more decisions will be made.

• (0920)

Mr. Sven Spengemann: Thank you very much, Minister.

Through “Strong, Secure, Engaged”, the government has committed to leveraging innovators to encourage innovation and accelerate the adoption of new ideas in the defence community.

I understand that the innovation for defence excellence and security initiative, better known as IDEaS, will do this by introducing flexible new approaches to stimulate innovation through a range of activities. These include competitions, contests, networks, and sandboxes to test field concepts.

I'm wondering if you could outline for the committee how this initiative is going to support the Canadian Armed Forces.

Hon. Harjit S. Sajjan: This is one thing I'm extremely excited about. This is where we listen to industry on how they fit into this, but more importantly, this is about setting up the Canadian Armed Forces and looking into the future, 20 years from now. It's making sure that the Canadian Armed Forces have the necessary tools to be relevant. This is about anticipating challenges and looking at problems and having them solved. Rather than us trying to solve the problem, we want to throw problems out to industry and compete the problem itself and look at new ideas. This is about spawning brand new innovation.

As you know, defence innovation is unique. We have some unique challenges. We're confident that this program will not only be able to help solve some of our problems into the future but also help industry as well, to potentially look at new products being developed. This is going to be launched shortly. It is going to fit very well into the wider innovation agenda that our government has announced.

Mr. Sven Spengemann: In a similar vein, the defence engagement program is requesting \$600,000, I think, under the revised estimates. I'm wondering if you could share with the committee why this program is important and how it will connect with the other

initiative you just mentioned and help to advance the work of the Canadian Forces.

Hon. Harjit S. Sajjan: I'm equally excited about this program. This program was cut in the past, during the various reductions that were made before our time. This is making sure that we're reaching out to experts, being able to commission reports, getting them to challenge our views and assumptions, and making sure that we have the best research ideas in defence. More importantly, how do we look at developing new talent in the defence and security field? Mr. Bezan talked about Dave Perry. He's actually a product of this program. This is what we need. We need people who have the right expertise to be able to challenge us and make sure we're moving in the right direction. This new investment will do just that.

Mr. Sven Spengemann: Budget 2018, in a very profound and transformative way, takes gender equality very seriously. I wonder if I could take the remaining time to ask you about GBA+, or gender-based analysis plus, and hear your own views and perhaps those of your colleagues. The government proudly renewed its commitment to gender-based analysis across government. I'm wondering with respect to the Canadian Forces if you can give us a status update and let us know your perspective on the way forward on this important commitment.

Hon. Harjit S. Sajjan: As you know, we did not create our defence policy and then do GBA+. It was actually done all the way through, as we developed it. This is a message that we're trying to send very deliberately and very strongly. We want to reflect the population that we serve. Any organization, including ours, will be making sure that we expand the talent pool. It just makes sense. If we don't expand and look at everybody, then we as an organization will be losing out.

The goal is to increase by 1% every single year until we hit a mark of 25% of women in the Canadian Armed Forces, but that is not a benchmark we want to stop at. That's the start, the catalyst to keep going until we actually get to gender parity.

Mr. Sven Spengemann: Minister, from the perspective of the recruitment of young women aspiring to join the Canadian Armed Forces, is GBA+ or our focus on gender equality leading to any differences in the way in which we recruit at the moment, to make sure that young women take a look at the Canadian Forces as an employer of choice?

Hon. Harjit S. Sajjan: Absolutely. We have looked at this. I have spoken with General Lamarre, who is in charge of the program. This is not just about doing GBA+ analysis. I can't stress this enough. Everywhere I go, this is what I talk about, that it's up to us to create the environment within the Canadian Armed Forces. We have to create an environment for people to succeed. We as leaders have to also lead by example on this in every organization we're at. If we don't, and that issue is not fixed, imagine if we start recruiting; we will lose the best and brightest.

• (0925)

Mr. Sven Spengemann: Thank you very much.

The Chair: I'll move now to five-minute questions.

MP Gerretsen, you have the floor.

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Thank you, Minister, for being here today.

I want to talk a little bit about the just over \$12 million put towards NATO in the supplementary estimates. I know that recently Canada has shown its strong commitment to NATO. I want to go back to a decision that you recently made that followed a decision that had been previously made about the AWACS program, the aerial radar program.

The Harper Conservatives chose to pull out of that program a number of years ago. They justified it using the following reason—that the move makes strategic sense because Canada is looking to develop its own systems, especially when it comes to drones: “Fundamentally, it is about a better way for the government to focus our defence spending, and we’re trying to put more of our defence spending towards Canadian capabilities.”

It was later questioned in the *Ottawa Citizen*, in an article dating back to December of 2014. It was reported that the previous government’s decision to withdraw from NATO’s AWACS program created “quite a problem” for NATO, and that the withdrawal placed the program in a “precarious position”, according to Deputy Commander Paddy Teakle.

Earlier, in February of this year, you announced when you were in Brussels that Canada would be rejoining NATO’s AWACS program. I’m wondering if you can speak to the benefit it provides to our allies in our rejoining the NATO AWACS program.

Hon. Harjit S. Sajjan: Our government has been very clear on our support for NATO and a multilateral approach. In terms of withdrawing from the program of the previous government, a lot of cuts were made, and I’ve outlined that, whether it was the deficit reduction action plan they had or the strategic review. That was one of the programs, and how they intend to justify it is up to them.

It created a lot of problems at NATO. When a key founding member withdraws from a very significant program, it then forces other nations to step up. We put them in a very difficult position.

Our re-engagement at NATO was a necessary step, because right now, NATO unity is so important. We need to send a very aggressive message to Russia that NATO matters, NATO unity matters, and solidarity is there. We’ve done that in terms of an enhanced forward battle group, and we’ve demonstrated this. The AWACS program is not just about being part of a program; it’s also making sure that we take the lessons learned from all the different nations. As I stated, as there are more nations involved in this, we’re going to develop better programs as well in interoperability.

Mr. Mark Gerretsen: What was the reaction of our allies to that announcement?

Hon. Harjit S. Sajjan: It was ecstatic, especially the U.S., the military leadership. SACEUR himself came up to our ambassador. NATO partner nations are very happy that Canada is stepping up, because our voice matters at the table. When we speak, we speak with credibility. We bring approaches where we don’t have certain difficulties that other nations have had. We bring a very neutral voice, but at the same time we send a very strong voice.

I can’t stress enough right now how important it is to send a very strong message to Russia, and NATO provides that message.

Mr. Mark Gerretsen: I’m glad you brought up Russia. There were reports that the AWACS program had a key role in tracking

Russian military aircraft during the crisis in Ukraine. As well, there were suggestions from the United States that they have asked NATO to contribute to AWACS in the war against the Islamic State. I wonder if you can comment on why this particular program, the AWACS program, is so important to NATO.

Hon. Harjit S. Sajjan: I can’t get into the details of the technical side of things, but the air domain and how that operates requires a lot of sophistication. It’s not just technology; it’s the people who are trained to use it. We’ve been part of this program, especially with the U.S., for some time and have a lot of experience in it. To stay at the cutting edge, you have to continue to be part of it. We’ve not only increased our participation in NATO and will do so in the coming future as the air force looks at how many people they actually have, but we’re increasing our work with the U.S. as well. This is absolutely critical when it comes to looking at not just NATO defence, but our own aerospace defence.

• (0930)

Mr. Mark Gerretsen: Thank you, Mr. Chair.

The Chair: MP Gallant.

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

Minister, in your opening remarks you mentioned that caring for the women and men of the armed forces is the primary focus of our defence policy. Why then have you reversed the recommendation in the SCONDVA quality of life report that provides a tax-free posting allowance? Why have you permitted health care workers who care for our ill and injured soldiers, and many of them are married to serving soldiers or are veterans themselves, to be subjected to thousands of dollars in pay cuts as of this April 1? This includes mental health nurses who work in warrior support, and nurses tasked with safeguarding those deploying to Mali.

How are you going to find the expertise to properly inoculate the people who are going to a country that had eight Ebola cases, when you’re cutting the experienced medical personnel and replacing them with people off the street?

Why do pregnant civilian military health care workers married to Canadian Armed Forces members have to go to the human rights tribunal to keep their jobs, even if they accept an across-the-board pay slash?

Also, would you provide to the committee the contracts of the male and female health workers to prove that male workers doing the exact same job as the female workers are not getting paid more than the females in that exact same position?

The Prime Minister stated that ill and injured Canadian Armed Forces members losing their special allowance pay was an unintended negative consequence. What’s being done to correct these unintended consequences?

Not a single person who was involved in the consultation process for the new defence policy was in favour of a deployment to Mali. Can you tell us how this deployment to Mali is in Canada’s national interest?

Thank you.

Hon. Harjit S. Sajjan: Ms. Gallant, I'll be honest with you. I really don't know where you're getting your sources from. We're actually growing our health personnel by 600. We've increased the pay. We've improved the benefits for our members. We are currently putting forward improvements to relocation benefits—which should be approved very soon—that actually increase them so that relocation is better. That will be coming shortly. There is a lot more work that needs to be done, but we're moving as quickly as possible on some of those things. This is one thing, when looking after our people, that we are diligently looking at. The deputy minister, the chief of the defence staff, and I work at this very closely. I can assure you this is having an impact. When I meet soldiers, wherever I go, not only do we talk about the defence policy and what we're doing, but we actually want to hear about the things we have missed so that we can fix some of those things.

When it comes to Mali, when it comes to making a government-level decision on where we go, the military is involved. We take the advice of the chief of the defence staff; he gives me the military advice on what's needed. We have to be engaged in the world if we want to be safe at home. We understand the importance of working with our allies: what's happening in the G5 Sahel is having an impact, not only on us, but also on our partners. With respect to the migrant crisis that's going into Europe, if Europe is affected, we are affected. We need to do our part. We have key capabilities to provide tremendous support to those UN missions and that's what we're doing. We are providing helicopter support, which not many nations can do. The smart pledge approach means we're going in as part of a long-term rotation and we're already in discussion with our partners about who is coming in next. This is about improving security in other parts of the world, and making other people's lives better, because it does impact us directly.

Mrs. Cheryl Gallant: With respect to where I'm getting these numbers, when the military cannot fill the holes for medical personnel, it employs civilian employees, many of whom are veterans or the spouses of our serving CAF members. As of April 1, these mental health workers, nurses, and pharmacy assistants on bases across Canada are taking an across-the-board pay cut. These are the very people who care for our ill and injured. Every time a soldier with an OSI has to start with a new mental health worker, that's another trauma and frustration for her/his recovery.

Here we have a huge drop in pay and they're married to some of the people being cared for.

● (0935)

Hon. Harjit S. Sajjan: As I said, we are increasing their pay and we're increasing the number of health care workers in the military.

The Chair: I'm going to have to leave it there to keep everybody on time and make sure everybody has a chance.

MP Fisher, you have the floor. Five minutes, please.

Mr. Darren Fisher (Dartmouth—Cole Harbour, Lib.): Thank you, Minister, for being here, and thank you for having your team here as well.

Every year the *HMCS Sackville* welcomes thousands of visitors to her summer home at the Maritime Museum of the Atlantic on the Halifax waterfront. This 76-year-old ship is an iconic symbol of the Battle of the Atlantic and the sacrifice of those who gave their lives,

all those who served, and all those who continue to serve Canada at sea.

The “Sack” was the last remaining corvette of the 269 allied corvettes from the Second World War and she continues to serve as Canada's naval memorial and a national historic site. My constituents, many of them veterans, have long advocated for the restoration and preservation of the *HMCS Sackville*. Could you provide some details on how the government is going to ensure the long-term preservation of the *HMCS Sackville*?

Hon. Harjit S. Sajjan: You know my opinion when it comes to the history of the military. It's important for us not only to remember history but to teach it and pass it on to our next generations. They need to realize the tremendous sacrifice made on their behalf that allows them to live the life they live, and more importantly, become engaged with how to prevent tragedies where militaries have to go out and go into conflict.

We were very happy and I just want to thank our deputy minister and the team who were able to find a way to support this. A total of \$3.5 million over two years has been made available for a trust, of which \$1.4 million will be transferred this year. This will be used for repairs that will address areas of significant deterioration for the vessel and extend its life by eight to 10 years. We are very proud that we were able to do this because it is extremely important. I just want to have the deputy minister talk for a few minutes on this.

Ms. Jody Thomas: We're very pleased to be able to provide funding for the *Sackville*, as the minister said. We have a one-time opportunity for up to \$3.5 million. We're working with partner departments to provide \$100,000 of in-kind work on the *Sackville* every year. We would be able to do constant maintenance, and she wouldn't fall into the disrepair that she has fallen into over the last few years. That should be able to preserve the *Sackville* as a memorial to the Battle of the Atlantic in perpetuity.

Mr. Darren Fisher: Thank you very much. I want to go on record to thank you and your team as well for taking this so seriously, Minister. This is something that means an awful lot to the people back home.

Dartmouth—Cole Harbour is home to CFB Shearwater, and of course, we're right across Halifax Harbour from CFB Halifax, so we have a lot of Canadian Armed Forces members in Dartmouth—Cole Harbour.

It's our duty to keep our Canadian Armed Forces safe while they do their very best to keep Canadians safe. I notice \$5.8 million in increased spending to, it says here, “improve security for Canadian Armed Forces operations and personnel”. Can you give us some details on that, maybe some specifics on the improvements that will be made to the security for our CAF members?

Hon. Harjit S. Sajjan: I will let you talk about the details, Vice, if you have them.

As I mentioned, this is about upgrading our infrastructure, but we also look at it from the security perspective as well. We're constantly now looking at where the priorities are and making the right investments in those areas, so our security for our bases is up to date, making sure our members and their families are safe where they work and where they live.

Vice, do you have any points to add?

Lieutenant-General Alain J. Parent (Acting Vice-Chief of the Defence Staff, Department of National Defence): Maybe you'd like to....

Ms. Elizabeth Van Allen (Assistant Deputy Minister, Infrastructure and Environment, Department of National Defence): To ensure the safety of our personnel, as the minister is saying, the supplementary estimates (C) include \$5.8 million in capital funding for projects to upgrade security at our bases. The funding is being carried forward from fiscal year 2016-17 to 2017-18 due to some delays in the project approval.

We have four projects we are funding from this for physical security upgrades in these estimates: work at the Defence Research and Development Canada facility in Halifax, upgrades to physical security in Dundurn, updates to the security barrier on the South Perimeter Road in Trenton, and the configuring of Alert Boulevard in Trenton.

As well, in addition to those four projects we have these two projects in progress: entry control facilities at Borden and perimeter fencing for facilities at Shilo.

• (0940)

Mr. Darren Fisher: Thank you.

The Chair: MP Yurdiga, the floor is yours for five minutes, please.

Mr. David Yurdiga (Fort McMurray—Cold Lake, CPC): Thank you, Mr. Chair.

Minister, on February 23, 2017, in the House of Commons you stated that we will not be buying used aircraft for our air force, so why is the government buying used jet fighters?

Hon. Harjit S. Sajjan: When it comes to our missions that we fly, we didn't have enough aircraft to fly them. I think we can agree that within our NORAD and NATO commitments we have to have a certain number of aircraft to fill those needs.

We were on a path with Boeing to look at the purchase of brand new Super Hornets, but unfortunately, Boeing took an approach that was undermining our Canadian aerospace sector, and the economy and jobs of Canadians are very important to our government; hence, the reason.

We were very fortunate at that time when this came about that Australia was looking at selling its F-18s, the same model we fly. It was very fortunate—

Mr. David Yurdiga: I'm going to cut you off, Minister. I only have five minutes.

In regard to purchasing the Australian F-18, the international structural test program reveals that the Australian fleet of F-18s were in need of refurbishment, specifically the central barrel replacement.

Minister, how many of the Australian F-18s need central barrel replacement?

Hon. Harjit S. Sajjan: I'm happy to answer that in detail.

Pat, do you want to take that?

Mr. Patrick Finn (Assistant Deputy Minister, Materiel, Department of National Defence): At this point, we have gone and inspected them. It is something we looked at in our aircraft as well. Very few, if any, will require replacement.

We have had a long-term relationship with the Australians, where we have developed a fatigue life management plan over decades of working together. We're very comfortable with the state of the aircraft we've examined.

We actually have done more work on our aircraft. They decided to switch to a new aircraft sooner. We're going to induct the aircraft we require into the same fatigue life program we have ours in. We're quite comfortable that the hours we will get out of them will be pretty consistent with our own aircraft and will operate the fleet up to 2032.

Mr. David Yurdiga: Thank you very much.

How much does the government predict it will spend on repairs to the used F-18s to bring them to combat-ready status? Remember: combat-ready status.

Mr. Patrick Finn: From an Australian perspective, they're in combat-ready status today, so they continue to operate those aircraft. We're in discussion with them about which of the aircraft have the most life remaining. They will be like all of our aircraft. They will continuously be cycled through maintenance, including heavy maintenance, so they will be maintained in combat-ready status.

Hon. Harjit S. Sajjan: What I don't understand here is your party's approach. You wanted a competition. We have a full competition, and we are actually competing for more aircraft than your party asked for. However, we want to increase the number of aircraft so that we can actually fly the missions. I have a difficult time understanding why you have a concern with this because we have a full competition to replace up to 88, but at the same time, we're purchasing more for our women and men in the air force so they can actually live up to the commitments that we, as a nation, signed up for.

Mr. David Yurdiga: Thank you for that, Minister, but my time is limited here.

Minister, can you table any reports indicating the current conditions of the Australian F-18s and the cost to bring them to Canada?

Mr. Patrick Finn: We have the information, so we can absolutely take that away and provide the information from our inspection on the cost piece.

Hon. Harjit S. Sajjan: Once we have done the proper analysis on that we'll be able to share that information, but we need to go through our due diligence on this. Once we have it, we'll have the right number.

Mr. David Yurdiga: Thank you. I think my time's up. Thank you for coming.

The Chair: MP Alleslev.

●(0945)

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, Lib.): Thank you very much, Minister.

I want to highlight the NATO Parliamentary Assembly's annual report and a fantastic picture of a Canadian Herc. Thanks to the minister and the team for providing them with the opportunity to visit Canada's Arctic. It was a team of 50 members of Parliament from 29 NATO countries, and it was a very important trip.

Thank you very much, Minister, for such an important engagement in the NATO Parliamentary Assembly. As you know, we will be hosting 850 parliamentarians at the NATO Parliamentary Assembly annual session this fall, in November. Of course, we are hoping very much that you will be able to find it in your schedule to attend.

Hon. Harjit S. Sajjan: I look forward to it.

Ms. Leona Alleslev: Further to that, part of what the NATO Parliamentary Assembly of parliamentarians from government and opposition parties all over the NATO ally and partner countries is wrestling with is the education of each of our countries on NATO and its importance to our defence and security, and to the economic and political values and way of life that we enjoy.

I understand that Canada is part of the NATO pilot around education for #WeAreNATO. I wonder if you could share, at this point, any information on what we're doing in that regard and how we see that rolling out.

Hon. Harjit S. Sajjan: We see it quite regularly on social media. It is important for our citizens to know the importance of NATO. It provides extremely valuable security deterrents for our nations. It sends a very significant message; NATO sends a message to our adversaries. More importantly, it gives a sense of stability and security for the partner nations.

But let's not just look at the partner nations. Let's look beyond. NATO provides a stabilization function, I would say, for the greater part of the world. The work that it currently does in Afghanistan and the efforts in supporting the work in Iraq.... We're constantly looking at ways that NATO can do more in other parts of the world and be supportive of other operations. I think one of the biggest messages right now because of the resurgence of what you see with Russia.... We saw, just recently, the nerve agent attack in the U.K. Having our citizens understand the importance of NATO, the unity, and what we can bring to bear in terms of deterrents is extremely valuable. When you put our collective budgets and resources together, it sends a very strong message. More importantly, you have nations that are part of the rule-based order and that are bringing that sense of stability and confidence to other nations.

Ms. Leona Alleslev: Just to close out that topic, if there is anything that we, as parliamentarians, can do—certainly as part of the education and working group for the NATO Parliamentary Assembly—around educating our citizens and supporting you in your initiative within Canada for the #WeAreNATO campaign, please can you include us in that, so that we can be a united front in terms of educating on NATO?

Hon. Harjit S. Sajjan: Yes, and the biggest one is for nations to support, rather than pull out support from NATO.

Ms. Leona Alleslev: Thank you.

You also mentioned in your opening remarks about cybersecurity initiatives and an increase in investment in those areas. We've certainly seen a lot in the news recently, both at home and abroad, about the risks we face on that front.

Could you give us an idea of what some of that money will be used for, and how much we're looking at?

Hon. Harjit S. Sajjan: We have put a lot of emphasis on national defence and the Canadian Armed Forces, and the Canadian Armed Forces also has a cyber component, but CSE really plays a significant role in protecting our critical infrastructure, providing valuable resources, and having literally world-class expertise.

I'm going to have our chief speak to that in just a second, but these are the critical investments our government is making to make sure we stay at the cutting edge, making sure we're able to have the right experience.

In 30 seconds or less, Greta, can you...?

Ms. Greta Bossenmaier (Chief, Communications Security Establishment, Department of National Defence): There is no doubt that cybersecurity has become such a large issue, not only for Canada but for countries around the world. For over 70 years, CSE has been in the business of helping to provide cyber and IT security to the government, and more and more to the broader Canadian industry and private industry, and citizens for that matter.

You'll note that in budget 2018 there has been an announcement to create a new Canadian centre for cybersecurity. We feel very privileged and proud that this centre will be housed within CSE and really allow us to bring our expertise in a unified way to Canadians, to the Canadian private sector, and to the Canadian government.

●(0950)

The Chair: Thank you.

I have one last three-minute question to MP Garrison.

Mr. Randall Garrison: I'll turn my time over to Ms. Blaney, from North Island.

Ms. Rachel Blaney (North Island—Powell River, NDP): Thank you so much.

I am the proud representative of 19 Wing Comox. I see you were there at the end of January, and I'm very proud and excited about the new SAR training centre, but I have a really specific question for the riding.

IMP Aerospace holds the contract for maintenance of search and rescue helicopters in Comox. Currently, 50 employees represented by UNDE Local 21018 have been without a contract since June 30, 2015. The issues are not just about wages. It's about health and safety, especially hearing protection, and issues of being pressured to go to Greenwood, Nova Scotia, where IMP holds the contract, which is a non-union work environment. Without adequate compensation, and without regard to personal and family situation, it's very stressful for the community and the staff. These activities result in poor morale, problems with retention and recruitment, and—most concerning—the loss of serious skills that we need.

I'm just wondering if you could share with us what role DND plays when contractors fail to deal fairly with employees, and in making sure this doesn't affect search and rescue in our region and across Canada.

Hon. Harjit S. Sajjan: First of all I can assure you that search and rescue is an absolute priority for us, and we're actually investing not just in the training centre in Comox, but also in our new fixed-wing search and rescue aircraft that are coming. I've had a quick update.

I'm going to see if Pat can answer the other question, but I just want to give you confidence on search and rescue. There are even additional things that we're going to be looking at in the future, on how we stay relevant to search and rescue way into the future.

Pat.

Mr. Patrick Finn: To answer your specific question, for the contract it's performance of the contract, so how we ensure there is no impact on the search and rescue capability is through the performance measures and the application of the contract and what is delivered there.

When it comes to contractors in general and their labour agreements, we're somewhat at arm's length. We monitor that to make sure it doesn't impact on performance. It is something that occurs on a cyclical basis, but we are generally not directly involved with those labour negotiations, although, because it can impact us, we monitor it and engage the company if we have concerns.

Ms. Rachel Blaney: One of the things, as I said in the question, is that we are seeing at this point that one person has actually resigned because they're just feeling very concerned about the pressure to move. Also, as I said, a lot of these concerns are around safety and protection—making sure to protect their hearing—and the feeling that they're being strongly pushed to move from their community to relocate somewhere else, far away from their community, that doesn't have the union representation.

Those are big concerns as we see people with those high-level skills leaving our communities and leaving something so important, such as search and rescue.

The Chair: Okay. I'm going to have to leave it there. Mr. Bezan wanted to chime in here really quickly.

Mr. James Bezan: Based on the testimony today there are two quick things that I think will require some follow-up.

Mr. Finn, in response to Mr. Yurdiga's questions about the used Aussie F-18s, you said they have done an evaluation as well as an assessment on those planes. I think it would be good if you could table that document with the committee.

Secondly, Minister Sajjan talked about tabling, on May 18, the “Strong, Secure, Engaged” fiscal plan. I would ask that the minister provide the technical briefing to committee on the day that this is tabled.

Hon. Harjit S. Sajjan: That's the defence investment plan.

Mr. James Bezan: As long as you will commit to it, the full technical briefing....

The Chair: Do you want to chime in there, Minister?

Hon. Harjit S. Sajjan: I'll have a chat with my staff and I'll get back to you.

The Chair: Okay.

I'd like to thank the minister for your time and for coming today.

I'm going to suspend very briefly to let you depart, sir, and then we'll resume with departmental officials.

Thank you.

- _____ (Pause) _____
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- (0955)

The Chair: Welcome back, everybody.

Just before we start a round of questions with our guests, I'd like to give the floor over to MP Alleslev who has a motion she wants to table in accordance with our study of NATO and asking for funds for our trip to Petawawa.

MP Alleslev.

Ms. Leona Alleslev: Thank you very much, Mr. Chair.

We discussed a while ago maybe having a site visit to Petawawa to take a look at how they're preparing for NATO involvement. I have a motion here that says that, in relation to the study of Canada's involvement in NATO, the committee would travel and the committee would be accompanied by necessary staff, and that a proposed budget of \$4,000 for the committee's travel be adopted.

The Chair: Is there a quick discussion? Although we haven't discussed this, it's more a formality so I can seek the funding. We've talked about this, so there's nothing to discuss.

(Motion agreed to)

Mrs. Cheryl Gallant: I have a quick question. As it's such a short distance, can the entire committee travel as opposed to just however....

The Chair: We'll circle back on that after. I'll undertake to have a discussion about that afterwards.

Given the time remaining, we're going to start at the top of the list. We're going to go for five, four, three minutes in terms of timing.

The first question will go to the Liberals with MP Fisher for five minutes, please.

- (1000)

Mr. Darren Fisher: Thank you, Mr. Chair.

I'm also a member of the Standing Committee on Environment and Sustainable Development, so I was pleased to see that DND is requesting \$6.2 million for funding for remediating federally contaminated sites.

I wonder if you could give the committee a little more detail and depth on what the plan is for this remediation. How many sites might it cover? What might some of the sites be, and how many of the sites might be remaining?

Ms. Jody Thomas: I'll start and then I'll ask Elizabeth Van Allen, our ADM of infrastructure and environment, to get into a bit more detail.

In these estimates, we're asking for \$6.2 million for four projects. These are the Esquimalt harbour remediation project, the TCE Valcartier project in Quebec, the Goose Bay remediation project, and the Alert curling club. Those are the four biggest priorities in terms of contaminated sites. We're going to continue to allocate money over four years, into 2020. It is \$243 million in total for contaminated sites.

In Goose Bay, we're working at reducing or eliminating potential risks posed by contaminated areas at 5 Wing. That's estimated to be completed by 2020. The Esquimalt harbour remediation project is remediating several contaminated areas of Esquimalt harbour. It began in 2016, and will continue into 2017-18. Activities include dredging, sediment disposal, backfill added to the harbour to bring the seabed back up to the original grade, and containment monitoring.

With the Alert curling club complex assessment, we're looking to confirm levels of contamination from metals and petroleum hydrocarbons at CFS Alert. That has not been done in eight years.

The TCE Valcartier project will design, build, and operate a system that pumps and treats groundwater contaminated with TCE so that it's safe for the environment. Those are four very major projects.

Mr. Darren Fisher: Excellent. Thank you.

I see that a portion of the \$435 million for "Strong, Secure, Engaged" is for a health and wellness strategy. Are you able to tell us a little more about that? What will it cover? Is this new? Is this additional money for an existing strategy? Please provide little bit more detail on that.

Ms. Jody Thomas: I'm very happy to.

The total health and wellness strategy funded through "Strong, Secure, Engaged" encompasses the entire department. It provides total health and wellness for serving CAF members and those transitioning to Veterans Affairs Canada, as well as a total health strategy, including mental health, for our civilian employees.

There is a strong focus on mental health, as you saw earlier in the year when we released, with Veterans Affairs Canada, the joint suicide prevention strategy. We're looking at a number of functions including fitness, family support, and integrated conflict and complaint management. It encompasses Operation Honour, a return to work program, and spiritual resiliency. It looks at the entire gamut of health for both civilian and military members of the Department of National Defence and the Canadian Armed Forces.

Mr. Darren Fisher: Excellent. Thank you.

I'm not sure where I am, Mr. Chair, but Mr. Gerretsen—

The Chair: You have about another minute left in this block.

Mr. Mark Gerretsen: One thing that had been identified was \$9 million for funding for a military personnel management capability transformation project. Can you expand a little bit on exactly what that is?

Ms. Jody Thomas: That's a software project in which the Canadian Armed Forces is upgrading PeopleSoft, which is the base system, in order to get it to the next iteration. It's part of a larger project that will eventually upgrade the military pay system. It's being done in very distinct steps. It's replacing a very old and fragile system. It's going to be user-friendly for Canadian Armed Forces members.

Mr. Mark Gerretsen: Are we learning from the example of the other pay system the federal government has been dealing with, to make sure that we don't go down the same road?

Ms. Jody Thomas: We are indeed. This one has been rigorously tested. It is being done in phases. In fact, it was part of the much larger project that we reduced. We're upgrading PeopleSoft. Then we're going to improve business rules, and then we'll work on the pay system.

Mr. Mark Gerretsen: Thank you.

The Chair: MP Gallant.

Mrs. Cheryl Gallant: Profiteering was a significant problem during the First World War. I'm hearing concerns that Irving Shipbuilding Inc. is poised to make extraordinary profits under the monopoly it has in shipbuilding, and it will make profit on top of profit under the program. This is a concern to all taxpayers, especially when we're talking about a \$100-billion program. By the end of this week, can you table with the clerk the allowable profit that Irving is eligible to make on the AOPS and the CSC projects? I do not mean the specific contract amount but the range that it's eligible to make.

●(1005)

Ms. Jody Thomas: I'll ask Pat to speak to this in more detail. The AOPS project is negotiated, and we're working on whether we'll deliver five or six ships with Irving Shipbuilding now, the Canadian Navy and PSPC.

In terms of the surface combatant project, we're still in an RFP process. I'm not sure that it would be appropriate at this time to talk about the contract, the structure, or the profit for Irving, as we're determining who will actually get that contract.

I will ask Pat.

Mr. Patrick Finn: I would just add that certainly the profit levels on CSC have not been established. "Profit on profit" is something we watch very carefully for. I think it's important to separate, though, profit on profit from payments that are made to manage subcontractors, which is fairly typical in the industry with contracts of this nature. Irving Shipbuilding doesn't have a monopoly, per se. There are ships being built across the country and others that will be competed.

The Arctic offshore patrol ship contract was negotiated per the Government of Canada contracting policy. We can get you some information on that. The other parts of it would be subject to third party, but we can take that away. Certainly the profit policy per the Government of Canada that was used is something that is available.

Mrs. Cheryl Gallant: I'm wondering if you can table with the clerk by the end of this week the specific policy that prohibits Irving from profiteering and making a profit on top of profit, first by using its own companies as the subs, then as part of the cost-plus contract it has with Canada. One hopes there is a policy that prohibits this.

Ms. Jody Thomas: I would suggest that the question would be best raised with Public Services and Procurement Canada.

Mrs. Cheryl Gallant: Okay. Well, this cost-plus contract that Irving has allows it to be rewarded for being late and overpriced. The higher the project costs, the more profit it makes. The later the project, the more it hurts our military.

Can you table with the clerk by the end of this week any reports or emails you have in the department related to audits of Irving and measures taken to ensure competition and lowest prices to taxpayers under the national shipbuilding strategy?

Ms. Jody Thomas: We can table any documents we have to that effect, yes.

Mrs. Cheryl Gallant: Thank you.

Can you advise on the icebreaking capability of the AOPS vessels and whether or not they can be employed as icebreakers, taking the place of the Canadian Coast Guard vessels in the medium or heavy icebreaker classes?

Ms. Jody Thomas: I'll ask Pat to speak to the specifics of the ships, but as a former commissioner of the Coast Guard, I'm happy to answer. The AOPS vessels are not icebreakers, they're ice capable. An icebreaker has a different design in terms of its stern and the bow specifically, to allow it to manoeuvre around vessels and cut a track in ice. These vessels will be able to operate in significant ice, up to a metre thick, and they'll be able to operate in the Arctic. They would be able to ice break in an emergency, but as a routine function, that's not what they're designed to do.

Mrs. Cheryl Gallant: [*Inaudible—Editor*] that the AOPS and JSS are vessels that are still years away from a need for maintenance. Can you advise as to how much money DND is allocating for the AJISS contract in each of the next five years?

Ms. Jody Thomas: I'll ask Pat and the CFO to speak to that.

Mr. Patrick Finn: The first Arctic offshore patrol ship will be delivered into the navy next year. It will start to require some maintenance at that point, and every nine months thereafter will be a follow-on ship. The need to start providing maintenance is merging. At this point we've laid out a contract to make sure that it's not like past practices, which would have us at times delivering new fleets—aircraft, armoured vehicles, or ships—and then establishing in-service support contracts for people after the fact. The approach we're taking here has enabled us to bring in the suppliers who perform the maintenance so that they can actually see what's happening up front.

It is a small amount of overhead. I don't have the exact numbers with me right now, but payments will start this coming fiscal year to

enable them to be ready once the first AOPS comes into service. Beyond that, for the first five years, because we won't dock a ship until five years into life, it will be largely what we call "second-line", or second-level, maintenance. We don't have the exact numbers with us. We can look at providing what the cash flow is and what the expectations are of the first five years of that contract.

• (1010)

Mrs. Cheryl Gallant: The committee will appreciate having copies of those, preferably by the end of the week.

The Chair: I'll have to end it there.

MP Garrison, the floor is yours.

Mr. Randall Garrison: Thank you very much, Mr. Chair.

When we look at estimates, there's always this problem of apples, oranges, and other fruit when we try to compare things from year to year. The minister in his presentation made reference to a 5% spending increase for the Canadian Forces, or for Canadian defence overall. The concern I run into a lot is that in their regular operations, the Canadian Forces are asked to do more and more every year without getting an increase to cover even the rate of inflation.

In terms of operations for DND, what is the increase in this budget year over year? Is it beyond the military rate of inflation, which tends to run 3% to 4%? Are we actually getting enough to cover those increased costs every year?

Ms. Jody Thomas: The CFO loves to delve into the numbers in detail, so I will turn the mike over to him quickly.

Main estimates to main estimates is about a billion-dollar increase for funding 2017-18 to 2018-19. That's for O and M, salary, vote 1.

If the government decides that the Canadian Armed Forces will take on an operation, that is funded through the MC process. We go to government, we lay out the cost of the operation, and generally are reimbursed if we're taking on a specific operation that is a new or even an expanded requirement.

I'll ask the CFO.

Mr. Claude Rochette (Assistant Deputy Minister (Finance) and Chief Financial Officer, Department of National Defence): Under these current supplementary estimates (C), we have \$779 million of new funding. Of that, from an operating point of view, is almost \$725 million. As the deputy mentioned, in the new budget for 2018-19, we have \$1.7 billion of new money, when you compare main estimates to main estimates. Of that amount, \$1 billion is for vote 1, operating.

Coming from SSE when we did the new defence policy, we looked at our funding. You will recall in previous years we always talked about the 2% defence escalator we had; that was part of the evaluation. We look at any operation we have plus any in-service support we need for our capital equipment. As part of our costing, we have also applied a defence inflation rate to ensure that year to year for the next 20 years under the new defence policy, we will have funding for inflation.

Mr. Randall Garrison: What rate have you applied to this?

Mr. Claude Rochette: It depends on what components we are looking at. We translate based on Gantt reports; it trends between 4% and 6%.

Mr. Randall Garrison: I'm trying to get back to apples to apples in the regular operating expenses of the Canadian Armed Forces for the next year. What's the percentage increase?

Mr. Claude Rochette: The percentage increase is \$1 billion over \$15 billion that we'll get for next year. It will be 6%.

Mr. Randall Garrison: That doesn't include any of the new functions. That's a real apples to apples comparison.

Ms. Jody Thomas: That's an apples to apples comparison of vote 1. If we're asked to take on a new operation, there would be new funding for it.

Mr. Randall Garrison: For instance, a peacekeeping operation that we're talking about in Mali, where is that in this budget or will a new request come forward to support that operation?

Mr. Claude Rochette: It will be new funding.

Ms. Jody Thomas: A memorandum to cabinet went forward for peace support operations and our CFO would draw down money through the supplementary process for that.

Mr. Randall Garrison: That will come to Parliament as a supplementary estimate some time later in the year.

Ms. Jody Thomas: Yes.

Mr. Randall Garrison: Something that's been coming up in my riding, and I know it's come up in other members' ridings, is the changes in relocation allowance, both in the way the relocation allowance operates and the taxable status of relocation benefits.

I'll ask about the taxable status first. There's some concern that now some of the relocation benefits or a portion of them are going to be taxable. Has that change come about?

•(1015)

Ms. Jody Thomas: I am not aware of that change, and that's come up twice this morning. I'd like to get back to you with some detail, if that would be okay.

Mr. Randall Garrison: It's a concern that we're hearing locally.

The second part is the system used to have local offices and a real person whom people could deal with to try to get some idea of how the relocation expenses process is going to work. Now we have a portal and call centres. I know that people are having trouble managing that system and also having some trouble with the pre-loaded, prepaid cards and being required to use those cards to cover expenses.

Have you had a report on how this is working, and are you hearing those same kinds of concerns from people trying to use this relocation system?

The Chair: Unfortunately, I'm going to have to end it there. I'm going to turn the floor over to MP Gerretsen.

Mr. Mark Gerretsen: Thank you very much.

Of the \$12.2 million that's being spent on NATO, can you elaborate on what that's being spent on specifically or that's being requested for NATO?

Ms. Jody Thomas: The funding is contributing to the NATO military budget and their security investment program. It's used to cover operating and maintenance costs of NATO military structure and activities, including deployed operations.

The CFO can tell you about the mechanics of how NATO funding works, but this isn't our getting money for a specific operation, this is our overall contribution to NATO and what's coming in supplementary estimates (C).

Mr. Mark Gerretsen: There are some requests in the supplementaries for increases to operations Reassurance and Unifier. Specifically, can you comment on Operation Unifier and whether the Canadian Forces will continue to train Ukrainian forces in a range of capabilities? Is that what the money is specifically being put toward?

Ms. Jody Thomas: I'll ask the vice chief to respond to the operational questions.

Lieutenant-General Alain J. Parent: The support to Ukraine is unwavering, and will continue as long as the Government of Canada tells us to continue that support, with approximately 200 Canadian Armed Forces personnel.

The training is focused on small arms training, explosive ordnance disposal, military policing, medical training, and modernizing logistics. So far, we have contributed over \$16 million in non-lethal military equipment to Ukraine forces, with up to \$7.25 million more to be delivered by the end of March. The estimated cost of the renewed mission is \$57.75 million over two years. National Defence assumes \$50.5 million of that money, and Global Affairs Canada \$7.25 million. The Canadian Armed Forces joint task force in Ukraine has trained approximately 5,500 Ukrainian soldiers as of February 1, 2018.

Mr. Mark Gerretsen: The increase in the supplementaries is specifically with respect to continuing the operation to help train in terms of increasing their capabilities.

Mr. Claude Rochette: The amount of money is specifically to pay for reservists, their rate of pay plus allowances, TD, travel, communications. We also have real life support which is the cost to maintain the camp. We also have \$170,000 on IT that is required for that operation.

Mr. Mark Gerretsen: Thank you. That's all I have, Mr. Chair.

The Chair: There is still a little bit of time. Does anybody want to chime in for about a minute and a half?

Ms. Leona Alleslev: I'd like to follow up on my colleague's question around NATO common funding. Not necessarily part of the supplementary (C) conversation, but because we are studying NATO, could you just elaborate on the fundamental difference between us sending money for common funding versus the money that we spend domestically for our own capability in capital equipment, and how that contributes to the 2% NATO commitment of burden-sharing?

Mr. Claude Rochette: Basically, being part of NATO, it uses a formula to determine the contribution. Canada contributes roughly \$170 million; \$140 million from DND and between \$30 and \$35 million from Global Affairs. This is our contribution to NATO for the operation of the organization. It's a military budget plus the program budget.

Normally, when you look at the contribution percentage that we talk about, there are two components: the 2%, but also a 20% capital investment. I think this is what you're referring to. Any capital investment that we have in National Defence is included in the formula when looking at our contribution. Currently, we are just shy of the 20%, around 19.6%, if I recall exactly. We're almost there.

Regarding SSE, by 2026-27 we are going to increase that to 32%.

•(1020)

Ms. Leona Alleslev: Outstanding.

The Chair: You have about three and a half minutes left if you wish to continue.

Ms. Leona Alleslev: I would very much like to do so. Thank you.

We started the conversation about cybersecurity. Could you expand a little bit?

As we see the blurring of lines between civilian organizations and the threats to civilian command and control structures, whether it's denial of service for hydro or infrastructure, or whether it's misinformation on civilian platforms like Facebook, over which we have no control of the data, or our email, which isn't within Canadians' control, can we ensure we don't have a CSE stovepipe, a military stovepipe, a CSIS stovepipe, and then a whole bunch of civilian organizations that are at risk, but that affect our overall sovereignty?

Ms. Greta Bossenmaier: As I mentioned earlier, a safe and secure cyberspace truly is important for the stability and the prosperity of our country, and it's a core mandate of the Communications Security Establishment's mission and our role mandate.

To your question about how we govern ourselves around cybersecurity, if I can put it that way, I'll offer a couple of comments. First of all, I can assure the committee that up to this point we work very closely with all of the various partners that you mentioned; with the public safety department, for example, which runs a response centre that deals directly with citizens and with the private sector.

We work very closely with our colleagues in Shared Services Canada. We are focusing on protecting the Government of Canada's systems through a very robust process. We have more than a billion malicious probes a day now into Government of Canada systems,

which we are protecting with our colleagues in Shared Services Canada.

We also work very closely with our partners in the Canadian Armed Forces, ensuring that the Canadian Armed Forces' systems are secure as well.

More and more we're working with private industry as well, to speak to your point. They're trying to ensure that their overall systems are secure, and we are doing everything we can to operate as a bit of an ecosystem, to ensure that we're sharing best practices and lessons learned.

No one can have all the answers in this field; we recognize that. How, then, do we ensure that we're working collectively across all those various communities? The item that I mentioned was put forward in budget 2018 is a bit of a milestone in terms of ensuring that we operate even more closely together.

It talks about the establishment of a Canadian centre for cybersecurity. It would be an operational hub: one central, trusted source of advice and guidance for the Government of Canada, for private industry, for Canadians writ large, unifying all of our cybersecurity operations, our advice, and guidance into a consolidated centre. The centre, again, was just announced. We also see the centre as having an important role for response when a cyber-incident occurs, so that there is a common place to go for advice and guidance.

I understand my time is up, Mr. Chair.

The Chair: Thank you very much.

MP Bezan.

Mr. James Bezan: Thank you, Mr. Chair.

In Operation Impact, we committed to providing about \$10 million worth of weapons to the Kurdish peshmerga. My understanding is that those weapons were purchased and are sitting in storage in Montreal. When are we planning to actually deliver that military equipment and aid to the peshmerga?

Ms. Jody Thomas: You're correct that the weapons have been purchased. It is critical that we ensure end-user agreements are in place that accord with the laws of armed conflict and all applicable international law before any equipment is delivered.

This equipment is being stored in Oman and in Montreal until such time as these conditions are met.

Mr. James Bezan: What's your expected time frame for those agreements to be signed or even for whether they will be signed?

Ms. Jody Thomas: They have not been signed, to my knowledge, and I would not want to predict a time when they would be, at this point.

•(1025)

Mr. James Bezan: Who's leading the discussions to get those agreements in place?

Ms. Jody Thomas: It is the department of foreign affairs, Global Affairs Canada.

Mr. James Bezan: I want to return to the issue of the cut of special allowance pay to ill and injured soldiers who cannot return to work within six months.

Why was that policy instituted? It wasn't in place before. Do you not see this as being a deterrent, for those suffering from mental health illnesses and injuries, to actually stepping forward, if they suspect that they could lose their special allowance pay? I know that our special operation forces members could see upwards of \$23,000 a year cut.

Ms. Jody Thomas: It's a very difficult question, and I know it's one that has been discussed at this committee previously. If special forces members who are serving in the forces are injured, they're given six months during which the allowances continue. At the end of six months, the determination is made whether they can return to that function or not, but it is an allowance for serving special forces members.

If in seven months they can go back to work, they go back to their position and they get the allowance. If they can't return to work after six months, what's critical is that we provide rehabilitation services, medical care, mental health care for the employee so that we can return them to work.

The allowance, though, is for those who are deployed in the field, conducting the work of special forces. Unfortunately—

Mr. James Bezan: More than just special forces. The special allowance also goes to fighter jet pilots, to submariners—

Ms. Jody Thomas: Yes.

Mr. James Bezan: —and to our SAR techs.

Ms. Jody Thomas: But it is for people who are serving in the field in those particular functions. If, after six months of rehabilitation, medical leave, or whatever is required for the member, they can't go back to the function—

Mr. James Bezan: But in the United States, the U.K., and Australia, they give 12 months.

Ms. Jody Thomas: It's certainly something we could look at, but every structure is different in every armed forces around the world, as I am sure you appreciate.

Mr. James Bezan: For my final question, Mr. Finn, I want to talk about the used Australian fighter jets again, the cost of refurbishment, plus the possibility that the Aussies aren't going to be turning them over to us as quickly as we originally had hoped because they still need them until they have all of their F-35s in place to replace them. Why don't we just expedite the entire process to speed up the competition so we can make a decision sooner rather than wait for used fighter jets?

Mr. Patrick Finn: On the one hand, we are working to expedite the acquisition of—

The Chair: That's a big question to ask with very little time remaining.

I'm going to have to turn the floor over to MP Alleslev.

Ms. Leona Alleslev: Thank you very much.

I'd like to continue on the procurement conversation, because when the minister was here, he made some comments about no

issues with lapsed funding and stuff like that. The challenge is in our ability to execute on the programs, because we don't necessarily have, if I understand him correctly, the program and procurement staff within the department to be able to execute on these programs. Could you confirm if that's what he meant? If so, what performance metrics are we using to ensure that we put those teams in place as quickly as possible? What are the consequences to those program managers when they don't?

Ms. Jody Thomas: This is something that's near and dear to our hearts. In terms of the money that we're not bringing into SSC for capital this year, there are four aspects to that. Some of it is money that wasn't spent because the project was done more efficiently, completed more efficiently. Some of it was that the supplier wasn't ready and, therefore, there was a delay. Some of it is put aside particularly for one question of intellectual property with the surface combatant, and then some of it is our ability internally.

Restaffing and growing the procurement staff, the contract and policy staff, and the staff at PSPC is near and dear to our hearts and something that Mr. Finn and our HR civilian folks are working diligently on. We had positive growth in the procurement staff last year, and I'll ask Pat to give you the details on exactly what he's doing to grow his team.

● (1030)

Mr. Patrick Finn: As the deputy indicated, it really is procurement, I'd say, across the town, as you appreciate, in defence. For the army, navy, and air force, it's how they can advance things in the context of option analysis within the materiel group so that the project managers, the procurement specialists, and the technical specialists have been growing the last few years at about 10% a year on the civilian side. We hire about 500 people a year. About 70% of that is replacement for people who retire and do other things. The other part has been growth, and we are actively doing that. I would say right now there are none that are holding up any of the projects per se. As the deputy said, there are a number of areas that are really important where suppliers have not been able to deliver. Like we experienced in the—

Ms. Leona Alleslev: That's fair enough, but you did mention that there were programs where it's our ability and where it's the supplier.... We have the ability to execute on that. We hold suppliers accountable for their performance, and we hold ourselves accountable for our performance to execute on highly important programs, or they wouldn't be in SSC. Could you please give us some indication of how we are measuring ourselves internally and what the consequences of not delivering are?

Mr. Patrick Finn: Not delivering internally or not delivering by suppliers.... On not delivering internally, within my span of control, we have very detailed performance measures that we bring to our program management board. I have over 300 projects and over 10,000 contracts under management. We have metrics that we use for the highest level. We have reports that we bring monthly to a panel of assistant deputy ministers. We bring them to central agencies. Again, on not performing, if it's based on the performance of an individual, we will take action there and move people around when it's clearly a lack of, I'll say, direction, leadership, or management by somebody who is key in that process.

The Chair: MP Yurdiga.

Mr. David Yurdiga: Thank you, Mr. Chair.

Mr. Finn, I'd like to give you the opportunity to answer the question my colleague MP Bezan asked, regarding the Australian fighter jets, on which there is no real delivery date at this point, and the practicality of actually speeding up the procurement process for a new fighter jet.

Mr. Patrick Finn: On future fighters, we have completed the source list, a bit of a pre-qualification. That's now done and in place. We reduced it to the five key suppliers, but we engaged with nations. These will come in different fashions. As early as next week, again with our colleagues at Public Service and Procurement Canada and ISED, we will be engaging with industry and those suppliers with the idea of trying to move out with all of their input and get a firm solicitation in the early part of next year. That is our target, to be able to move out on that smartly.

There is a reality in advancing any acquisition that we're subject to the order book of the suppliers. In any case, we're looking to be out next year and to be in contract no later than 2022. We're assuming a three-year delivery of the first aircraft as we talk generally to suppliers. That might advance or get retarded, depending on the order book of suppliers for the future fighter.

The reality is that no matter what we do we have to realize that we're one of many customers, hence the need to top up through the Australians. We are having very good and active consultation. We would see all the Australian aircraft delivered over the next three years, starting next summer or next fall with a small number of about three aircraft, and then six aircraft the following year and nine thereafter.

We are working with the Australians and closely with the U.S. government. This is subject to what's called a third party transfer under the international arms control agreement regime of the Americans. We don't see any stumbling blocks there, but we have to satisfy all the parties for it. We would see right now and have some positive indications from the Australians that by next summer the first aircraft would be here. We would be bringing them over and then have a pretty quick drum beat thereafter.

Mr. David Yurdiga: The way I understand it, the timetable for the Australian F-18 is hinged on the ability of Australians to get the F-35. If there's a delay of a year or longer, that means there's a delay in our getting the F-18s.

• (1035)

Mr. Patrick Finn: There could be a delay, absolutely, if they want to hold on to all the aircraft. Like us, a certain portion of their fleet is always undergoing heavy maintenance. By virtue of aircraft that they are going to dispose of, they're going to cease doing that and be parking some aircraft, so those are potentially the ones that we could bring in, carry on the heavy maintenance here in Canada, and continue to do it. The F-35As are well into delivery, with multiple countries now having the F-35s. The indications appear to be that they will get those as indicated, which will free the aircraft up for us.

The potential is there. We would describe that aspect of it as certainly low risk.

Mr. David Yurdiga: Mr. Finn, do we know the cost of the purchase of the Australian F-18s? Is there a fixed cost to this?

Mr. Patrick Finn: As the minister indicated, we don't have the final agreement with Australia. We have gone back and forth with an increased amount of certainty. When the U.S. government approves the third party transfer, that will enable us to finalize it all. We have a preliminary understanding of it. I think we've worked it up in previous testimony here. We've talked about having set aside \$500 million for all the work we need to do. We're growing a fleet, so there is increased infrastructure and other things as well. We won't have the final cost developed until such time as we sign the final agreement with the Australians.

The Chair: MP Yurdiga, that's your time.

I'm going to give the second-last question to MP Alleslev, and then we'll go to MP Garrison.

Ms. Leona Alleslev: Those were all my questions.

The Chair: Okay.

Mr. Garrison, the last one is from you.

Mr. Randall Garrison: Thank you very much, Mr. Chair.

I want to go back to the relocation question and give the deputy minister a chance to respond to the question I asked earlier about problems with the new system.

Ms. Jody Thomas: I have heard the same problems as you have, so thank you for raising it. On the credit card in particular, there are service charges that we are reimbursing, so that has been taken care of. When we've had individual problems with cards, we've gotten those rectified very quickly.

On the portal, the lack of face-to-face, we are encountering more difficulty with the transition to that way of service than we had anticipated. It is something that's being looked at now. I don't see it being changed in this posting season, but we'll do a full evaluation of how the posting season went and be able to report back.

Mr. Randall Garrison: Great. Thanks very much.

I want to ask about recruitment and retention, which I always ask about.

In the presentation by the minister it was lumped together with other things into a \$417-million amount, but I suspect the amount of that for recruitment and retention is actually quite a bit smaller. I was wondering if you could let me know how much of that new allocation goes to recruitment and retention. If we're going to achieve the goal of increasing by even 1% the number of women in the military every year, which is quite slow—it would take 35 years to get to equity—we're going to have to do probably triple our traditional increases in the number of women coming into the Canadian Forces. There's a big job there, and I just wonder how much has been allocated to recruitment and retention programs.

Ms. Jody Thomas: I'll ask the CFO if he has the specific number. If not, we can get it to you from the chief military personnel.

When we announced the defence policy, the percentage of women in the Canadian Armed Forces was 15%. It is now 17%. That's a combination of recruitment and better retention. Retention is as critical, as you note, as recruitment. We've invested a lot of money in training the men and women of the Canadian Armed Forces, and everyone we lose represents a huge loss, both to operational capability and to gender equity across the forces. The women who are in the forces now have chosen to be there. Women who've served throughout time in the Canadian Armed Forces want to be there. They've chosen to be there. Programs as well as conditions of service and opportunities are now being modernized to allow for better retention. It's something the chief military personnel, the chief of the defence staff, the vice chief of the defence staff, and the entire military infrastructure are focused on to ensure that not only do we recruit more but also that the retention numbers go up.

Mr. Claude Rochette: With reference to the specific amount, I don't have it with me, but I have a report on my desk and I know that I have that answer, so we can provide it very quickly.

Mr. Randall Garrison: Thank you. I would appreciate that.

If I can have a minute here, in the last Parliament we lost some of the recruiting that was being done in remote and rural areas. These are often places where employment opportunities and educational opportunities are more limited. I'm just wondering whether we've been able with the budgetary allocations to restore some of those programs that, in particular, visited first nations reserves and some of the more rural and remote communities in terms of making people aware of the opportunities in the Canadian Forces.

•(1040)

Ms. Jody Thomas: The recruiting budget has been increased overall, and we will get you the number. Focusing on rural communities has always been a priority. I think hand in hand with that goes the increased funding for the reserves. For reservists, many of whom come from remote communities, there's full-time summer employment. It is their summer job, their employment, and it actually then becomes an opportunity to join the regular force. A number of programs are going on hand in glove to change both the recruitment and the retention view of the world.

Mr. Randall Garrison: Great. Thank you very much.

The Chair: Thank you all for appearing.

Before I dismiss us, as a committee, I will just review some of the things the committee has asked for.

Clarification on the relocation allowance would be appreciated. It came up a couple of times today.

There was a request for documents with regard to an interim fighter and to shipbuilding. I appreciate that some of that will rest with PSPC, so it's not in your hands, and I also appreciate that some of that is in active negotiations, but if you could share with the committee what you're able to, we would appreciate that.

I would like to say thank you for coming today and thank you all for your service to Canada.

The meeting is adjourned.

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